

**TOWN OF SALISBURY, CONNECTICUT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**with**

**SUPPLEMENTAL STATEMENTS AND SCHEDULES**

**and**

**INDEPENDENT AUDITORS' REPORT**

*Sandra E. Welwood, LLC*

Certified Public Accountants

**TOWN OF SALISBURY, CONNECTICUT  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Finance  
Town of Salisbury, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Salisbury, Connecticut (the "Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 9, and the required supplementary information on pages 50 through 53, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The General Fund budgetary comparison detail, combining and individual nonmajor fund financial statements, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund budgetary comparison detail, combining and individual nonmajor fund financial statements, and other 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 General Fund budgetary comparison detail, combining and individual nonmajor fund financial statements, and other 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 January 22, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Sanctra E. Welwood, LLC*

Danbury, Connecticut  
January 22, 2021

# TOWN OF SALISBURY, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2020

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This Management's Discussion and Analysis offers readers of the Town of Salisbury, Connecticut (the "Town"), financial statements a narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. The information presented here should be considered in conjunction with the Town's basic financial statements that follow this section.

### FINANCIAL HIGHLIGHTS

On a government-wide basis, the Town's assets and deferred outflows of resources of \$46,899,165 exceeded its liabilities at June 30, 2020, resulting in total net position of \$34,041,096. Total net position for Governmental Activities was \$32,773,189 at fiscal year-end and total net position for Business-Type Activities was \$1,267,907.

The Town's governmental funds, reported on a current financial resources basis, combined ending fund balance was \$10,509,016, a decrease of \$1,878,589 for the year. The General Fund operating decrease for the year was \$184,725. The General Fund balance was \$3,064,598, of which \$587,704 was assigned for subsequent year's operations.

The unassigned fund balance was \$1,442,120, which is 9.5% of total General Fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### **Government-Wide Financial Statements**

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

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

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flow in some future fiscal period (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Governmental Activities of the Town include general government, public safety, public works, and recreation. The Business-Type Activities of the Town include the sewer usage enterprise fund.

The government-wide financial statements can be found on pages 10-11 of this report.

**Town of Salisbury, Connecticut**  
**Management's Discussion and Analysis (Unaudited) (continued)**

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**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for special activities or objectives. The Town, 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 are divided into three categories: governmental funds, proprietary 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 that is the Town's most basic services. However, unlike the government-wide financial statements, the funds focus on (1) cash and other financial resources that can be readily converted to cash flow in and out, and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a near or short-term view of the Town's finances that may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Transfer Station, Other Capital Projects, Twin Lakes, Bauer, Bissell, and Small Cities Funds, which are considered to be major funds. Data from other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

**Proprietary Funds** – The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the Sewer Enterprise Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Sewer Commission is the only activity in the proprietary fund financial statements; therefore, is considered a major fund, and information for the fund is shown separately.

The basic proprietary fund statements are found on pages 16-18 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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statements can be found on pages 19-20 of this report.

**Town of Salisbury, Connecticut**  
**Management's Discussion and Analysis (Unaudited) (continued)**

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**Notes to the Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-49 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time the change in net position may be a useful indicator of the Town's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, net position is \$34,041,096 at June 30, 2020.

By far the largest portion of the Town's assets is its investment in capital assets (e.g., land, building, machinery, and equipment). It is presented in the Statement of Net Position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<u>Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Current and other assets	\$ 12,063,887	\$ 1,670,186	\$ 13,734,073
Capital assets, net of accumulated depreciation	<u>30,023,843</u>	<u>2,757,330</u>	<u>32,781,173</u>
Total assets	<u>42,087,730</u>	<u>4,507,455</u>	<u>46,595,185</u>
<u>Deferred Outflows of Resources</u>	<u>303,980</u>	-	<u>303,980</u>
<u>Liabilities</u>			
Current liabilities	660,721	239,548	900,269
Long-term liabilities	<u>8,828,969</u>	-	<u>8,828,969</u>
Total liabilities	<u>9,618,521</u>	<u>3,239,548</u>	<u>12,858,069</u>
<u>Net position</u>			
Net investment in capital assets	21,547,603	846,517	22,394,120
Restricted – Permanent Funds	3,179,028	-	3,179,028
Unrestricted	<u>8,046,558</u>	<u>421,390</u>	<u>8,467,948</u>
Total net position	<u>\$ 32,773,189</u>	<u>\$ 1,267,907</u>	<u>\$ 34,041,096</u>

**Town of Salisbury, Connecticut**  
**Management's Discussion and Analysis (Unaudited) (continued)**

The Town's net position increased by \$1,900,709 overall during the fiscal year with net position of Governmental Activities increasing by \$1,868,076 and Business-Type Activities increasing by \$32,633. The increase in Governmental Activities is mainly attributable to the General Fund operating surplus.

<u>Change in Net Position</u>			
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>Revenues</u>			
Program revenue:			
Charges for services	\$ 1,654,432	\$ 466,001	\$ 2,120,433
Operating grants and contributions	1,700,666	-	1,700,666
Capital grants and contributions	1,986,851	-	1,986,851
General revenue:			
Property taxes	14,373,456	-	14,373,456
Grants not restricted to specific programs	18,553	-	18,553
Investment earnings	386,205	33,408	419,613
Other	<u>330,233</u>	<u>-</u>	<u>330,233</u>
Total revenues	<u>20,450,396</u>	<u>499,409</u>	<u>20,949,805</u>
<u>Expenses</u>			
General government	2,723,191	-	2,723,191
Public safety	700,496	-	700,496
Public works	1,803,073	-	1,803,073
Sanitation/waste removal	1,092,884	466,776	1,559,660
Health and welfare	507,589	-	507,589
Recreation	744,371	-	744,371
Other	136,645	-	136,645
Education	10,648,294	-	10,648,294
Interest on long-term debt	<u>225,777</u>	<u>-</u>	<u>225,777</u>
Total expenses	<u>18,582,320</u>	<u>466,776</u>	<u>19,049,096</u>
Change in net position	<u>\$ 1,868,076</u>	<u>\$ 32,633</u>	<u>\$ 1,900,709</u>



**Town of Salisbury, Connecticut**  
**Management's Discussion and Analysis (Unaudited) (continued)**

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**Governmental Activities**

Approximately 70% of the revenues were derived from property taxes, 18% from operating and capital grants, 8% from service charges, and 4% from all other.

**Business-Type Activities**

Business-type activities increased the Town's net position by \$32,633. The decrease was primarily due to expenses exceeding charges for services.

**FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

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

**Governmental Funds**

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$3,064,598. Of this total fund balance, \$587,704 is assigned for the subsequent year's budget and \$1,034,774 is restricted, committed, and assigned for other activities. The remaining balance of \$1,442,120 is unassigned.

The fund balance of the Town's General Fund decreased by \$184,725 during the current fiscal year. The primary reason for this decrease was that more fund balance was used than was budgeted.

**Proprietary Funds**

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Town has one proprietary fund.

Unrestricted net position of the Sewer Enterprise Fund at the end of the year amounted to \$421,390.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Due to revenues being lower than the budgeted amounts and most categories of expenditures, except capital outlay, being less than budgeted amounts, the Town was able to operate at a surplus of \$398,624 in excess of the final budgeted amount.

A statement of revenues and expenditures, budget and actual, can be found on page 15 of this report.

**Town of Salisbury, Connecticut**  
**Management's Discussion and Analysis (Unaudited) (continued)**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2020, amounted to \$30,023,843 and \$2,757,330, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

<u>Capital Assets (Net of Accumulated Depreciation)</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 2,992,466	\$ -	\$ 2,992,466
Construction in progress	4,356,435	2,349,869	6,706,304
Buildings and improvements	11,763,852	56,021	11,819,873
Machinery and equipment	764,956	351,440	1,116,396
Infrastructure	8,294,075	-	8,294,075
Vehicles	<u>1,852,059</u>	<u>-</u>	<u>1,852,059</u>
Total	<u>\$ 30,023,843</u>	<u>\$ 2,757,330</u>	<u>\$ 32,781,173</u>

**Long-Term Obligations**

At the end of the current fiscal year, the Town had total outstanding obligations of \$11,828,969 as follows:

<u>Outstanding Obligations</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General obligation bonds	\$ 1,620,000	\$ -	\$ 1,620,000
Bond anticipation notes	6,268,154	3,000,000	9,268,154
Notes payable	588,086	-	588,086
Net pension liability	<u>352,729</u>	<u>-</u>	<u>352,729</u>
Total	<u>\$ 8,828,969</u>	<u>\$ 3,000,000</u>	<u>\$ 11,828,969</u>

The Town's total debt had a net decrease of \$432,102 during the current fiscal year primarily from the annual payments for general obligation bonds and notes payable.

Additional information on the Town's long-term obligations can be found in Note 9.

**ECONOMIC FACTORS FOR NEXT YEAR'S BUDGET**

The Salisbury and Sharon Transfer Station was completed in July of 2020 and opened in September of 2020.

The Town continues with remediation of the former Decker's Laundry site at 17 Perry Street. The State of Connecticut has awarded the Town a STEAP grant for \$500,000 and an EPA Brownfields of \$200,000; these funds will be used for investigation, demolition of the building, and site remediation. The Town does not anticipate additional costs for this project in the next fiscal year.

The WPCA has completed all three of its infrastructure projects and all three are operational. These projects were funded with a USDA Rural Development loan.

The Town received a \$400,000 Community Connectivity Grant to build a sidewalk from Lincoln City Rd. to the Fire House. This project will begin sometime next year. Additional funds provided by the Town are estimated to be \$80,000.

The Town authorized the use of \$587,704 of fund balance from the General Fund for the 2020-2021 fiscal year. The mill rate for the 2020-2021 fiscal year was set at 11.7 mills.

All of the above factors were considered in preparing the Town's budget for the 2020-2021 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview for those with an interest in the Town's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Office of the Treasurer, Town of Salisbury, 27 Main Street, PO Box 548, Salisbury CT 06068.

**TOWN OF SALISBURY, CONNECTICUT**

**STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 3,197,812	\$ 1,602,877	\$ 4,800,689
Investments	7,524,761	79,939	7,604,700
Receivables:			
Taxes	386,551	-	386,551
Other	165,890	67,309	233,199
Due from Sewer Enterprise Fund	184,316	-	184,316
Long-term receivables	604,557	-	604,557
Capital assets:			
Capital assets, not being depreciated	7,348,901	-	7,348,901
Capital assets, net of accumulated depreciation	22,674,942	2,757,330	25,432,272
<b>Total assets</b>	<b>42,087,730</b>	<b>4,507,455</b>	<b>46,595,185</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pension related net deferred outflows	303,980	-	303,980
<b><u>Liabilities</u></b>			
Accounts payable	654,541	55,232	709,773
Due to General Fund	-	184,316	184,316
Accrued interest	128,831	-	128,831
Unearned revenue	6,180	-	6,180
Noncurrent liabilities:			
Due within one year	6,600,650	-	6,600,650
Due in more than one year	2,228,319	3,000,000	5,228,319
<b>Total liabilities</b>	<b>9,618,521</b>	<b>3,239,548</b>	<b>12,858,069</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	21,547,603	846,517	22,394,120
Restricted - Permanent Funds	3,179,028	-	3,179,028
Unrestricted	8,046,558	421,390	8,467,948
<b>Total net position</b>	<b>\$ 32,773,189</b>	<b>\$ 1,267,907</b>	<b>\$ 34,041,096</b>

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

TOWN OF SALISBURY, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ (2,723,191)	\$ 640,748	\$ 169,550	\$ -	\$ (1,912,893)	\$ -	\$ (1,912,893)
Public safety	(700,496)	46,413	-	-	(654,083)	-	(654,083)
Public works	(1,803,073)	-	294,475	87,970	(1,420,628)	-	(1,420,628)
Sanitation/waste removal	(1,092,884)	703,993	-	1,898,881	1,509,990	-	1,509,990
Health and welfare	(507,589)	179,107	-	-	(328,482)	-	(328,482)
Recreation	(744,371)	36,313	-	-	(708,058)	-	(708,058)
Other	(136,645)	-	-	-	(136,645)	-	(136,645)
Education	(10,648,294)	47,858	1,236,641	-	(9,363,795)	-	(9,363,795)
Interest on long-term debt	(225,777)	-	-	-	(225,777)	-	(225,777)
<b>Total governmental activities</b>	<b>(18,582,320)</b>	<b>1,654,432</b>	<b>1,700,666</b>	<b>1,986,851</b>	<b>(13,240,371)</b>	<b>-</b>	<b>(13,240,371)</b>
<b>Business-Type Activities:</b>							
Sewer	(466,776)	466,001	-	-	-	(775)	(775)
<b>Total primary government</b>	<b>\$ (19,049,096)</b>	<b>\$ 2,120,433</b>	<b>\$ 1,700,666</b>	<b>\$ 1,986,851</b>	<b>(13,240,371)</b>	<b>(775)</b>	<b>(13,241,146)</b>
<b>General revenues:</b>							
Property taxes, interest, and lien fees					14,373,456	-	14,373,456
Grants and contributions not restricted to specific programs					18,553	-	18,553
Interest and investment earnings					386,205	33,408	419,613
Other					330,233	-	330,233
<b>Total general revenues</b>					<b>15,108,447</b>	<b>33,408</b>	<b>15,141,855</b>
<b>Change in net position</b>					<b>1,868,076</b>	<b>32,633</b>	<b>1,900,709</b>
<b>Net position, beginning of year</b>					<b>30,905,113</b>	<b>1,235,274</b>	<b>32,140,387</b>
<b>Net position, end of year</b>					<b>\$ 32,773,189</b>	<b>\$ 1,267,907</b>	<b>\$ 34,041,096</b>

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

TOWN OF SALISBURY, CONNECTICUT

GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

	General Fund	Transfer Station Capital Fund	Other Capital Projects Fund	Twin Lakes Fund	Bauer Fund	Bissell Fund	Small Cities Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>									
Cash and cash equivalents	\$ 580,052	\$ 1,050,510	\$ -	\$ -	\$ 412,575	\$ 98,223	\$ -	\$ 1,056,452	\$ 3,197,812
Investments	1,025,977	89,431	1,372,175	-	1,634,977	2,188,485	-	1,213,716	7,524,761
Receivables:									
Taxes	386,551	-	-	-	-	-	-	-	386,551
Other	113,944	-	15,078	-	-	-	-	36,868	165,890
Long-term receivables	-	-	-	-	-	-	604,557	-	604,557
Due from Sewer Enterprise	184,316	-	-	-	-	-	-	-	184,316
Due from other funds	1,627,011	-	-	-	-	-	-	-	1,627,011
<b>Total assets</b>	<b>\$ 3,917,851</b>	<b>\$ 1,139,941</b>	<b>\$ 1,387,253</b>	<b>\$ -</b>	<b>\$ 2,047,552</b>	<b>\$ 2,286,708</b>	<b>\$ 604,557</b>	<b>\$ 2,307,036</b>	<b>\$ 13,690,898</b>
<b>Liabilities</b>									
Accounts payable	\$ 563,660	\$ 43,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,701	\$ 654,541
Unearned revenue	-	-	-	-	-	-	-	6,180	6,180
Due to other funds	-	888,262	-	696,749	-	-	-	42,000	1,627,011
<b>Total liabilities</b>	<b>563,660</b>	<b>931,442</b>	<b>-</b>	<b>696,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,881</b>	<b>2,287,732</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue - taxes	289,593	-	-	-	-	-	-	-	289,593
Unavailable revenue - long term receivables	-	-	-	-	-	-	604,557	-	604,557
Nonspendable	-	-	-	-	1,353,118	1,413,092	-	512,375	3,278,585
Restricted	57,184	208,499	1,241,471	-	694,434	873,616	-	1,447,436	4,522,640
Committed	787,157	-	145,782	-	-	-	-	224,411	1,157,350
Assigned	778,137	-	-	-	-	-	-	26,933	805,070
Unassigned	1,442,120	-	-	(696,749)	-	-	-	-	745,371
<b>Total fund balances</b>	<b>3,064,598</b>	<b>208,499</b>	<b>1,387,253</b>	<b>(696,749)</b>	<b>2,047,552</b>	<b>2,286,708</b>	<b>-</b>	<b>2,211,155</b>	<b>10,509,016</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,917,851</b>	<b>\$ 1,139,941</b>	<b>\$ 1,387,253</b>	<b>\$ -</b>	<b>\$ 2,047,552</b>	<b>\$ 2,286,708</b>	<b>\$ 604,557</b>	<b>\$ 2,307,036</b>	

Amounts reported 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.	30,023,843
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	894,150
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable, including related accrued interest	(8,605,071)
Net pension liability, including related deferred outflows of resources	(48,749)
<b>Net position of governmental activities</b>	<b>\$ 32,773,189</b>

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

TOWN OF SALISBURY, CONNECTICUT

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Transfer Station Capital Fund	Other Capital Projects Fund	Twin Lakes Fund	Bauer Fund	Bissell Fund	Small Cities Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>									
Property taxes	\$ 14,278,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,278,652
Intergovernmental	1,573,366	1,898,881	44,680	-	-	-	-	271,593	3,788,520
Investment earnings	29,470	26,529	16,625	-	115,739	146,962	-	50,880	386,205
Donations	169,550	-	-	-	-	-	-	-	169,550
Local	822,461	-	-	-	-	-	-	910,204	1,732,665
<b>Total revenues</b>	<b>16,873,499</b>	<b>1,925,410</b>	<b>61,305</b>	<b>-</b>	<b>115,739</b>	<b>146,962</b>	<b>-</b>	<b>1,232,677</b>	<b>20,355,592</b>
<b>Expenditures:</b>									
Current:									
General government	2,086,475	-	-	-	-	-	-	-	2,086,475
Public safety	355,727	-	-	-	-	-	-	235,323	591,050
Public works	1,471,606	-	-	-	-	-	-	-	1,471,606
Sanitation/waste removal	251	-	-	-	-	-	-	1,050,520	1,050,771
Health and welfare	308,551	-	-	-	-	35,570	-	153,468	497,589
Recreation	708,841	-	-	-	-	-	-	-	708,841
Education	10,023,337	-	-	-	-	-	-	128,533	10,151,870
Other	42,145	-	-	-	62,493	17,431	-	13,441	135,510
Capital outlay	153,340	4,101,501	594,739	29,562	-	-	-	151,755	5,030,897
Debt service	-	-	509,572	-	-	-	-	-	509,572
<b>Total expenditures</b>	<b>15,150,273</b>	<b>4,101,501</b>	<b>1,104,311</b>	<b>29,562</b>	<b>62,493</b>	<b>53,001</b>	<b>-</b>	<b>1,733,040</b>	<b>22,234,181</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,723,226</b>	<b>(2,176,091)</b>	<b>(1,043,006)</b>	<b>(29,562)</b>	<b>53,246</b>	<b>93,961</b>	<b>-</b>	<b>(500,363)</b>	<b>(1,878,589)</b>
<b>Other financing sources (uses):</b>									
Payment of bond anticipation note	-	-	(3,850,000)	-	-	-	-	-	(3,850,000)
Proceeds from issuance of bond anticipation note	-	-	3,850,000	-	-	-	-	-	3,850,000
Transfers in	-	150,000	1,059,370	-	-	-	-	848,268	2,057,638
Transfers out	(1,907,951)	-	-	-	-	-	-	(149,687)	(2,057,638)
<b>Total other financing sources (uses)</b>	<b>(1,907,951)</b>	<b>150,000</b>	<b>1,059,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>698,581</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(184,725)</b>	<b>(2,026,091)</b>	<b>16,364</b>	<b>(29,562)</b>	<b>53,246</b>	<b>93,961</b>	<b>-</b>	<b>198,218</b>	<b>(1,878,589)</b>
<b>Fund balances, beginning of year</b>	<b>3,249,323</b>	<b>2,234,590</b>	<b>1,370,889</b>	<b>(667,187)</b>	<b>1,994,306</b>	<b>2,192,747</b>	<b>-</b>	<b>2,012,937</b>	<b>12,387,605</b>
<b>Fund balances, end of year</b>	<b>\$ 3,064,598</b>	<b>\$ 208,499</b>	<b>\$ 1,387,253</b>	<b>\$ (696,749)</b>	<b>\$ 2,047,552</b>	<b>\$ 2,286,708</b>	<b>\$ -</b>	<b>\$ 2,211,155</b>	<b>\$ 10,509,016</b>

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

**TOWN OF SALISBURY, 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**

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

**Net change in fund balances - total governmental funds** \$ (1,878,589)

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

Capital outlay (net of disposals)	4,712,191
Depreciation expense	<u>(1,342,990)</u>
	<u>3,369,201</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of debt	(3,850,000)
Principal repayments:	
General obligation bonds	180,000
Bond anticipation notes	3,850,000
Notes payable	<u>151,909</u>
	<u>331,909</u>

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

Revenues:	
Taxes, interest and liens	94,804
Expenses:	
Net pension liability, including the related deferred outflows of resources	(1,135)
Accrued interest payable	<u>(48,114)</u>
	<u>45,555</u>

**Change in net position of governmental activities** \$ 1,868,076

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



TOWN OF SALISBURY, CONNECTICUT

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues:</b>				
Property taxes	\$ 14,769,359	\$ 14,769,359	\$ 14,278,652	\$ (490,707)
Intergovernmental	306,154	306,154	416,956	110,802
Investment earnings	25,000	25,000	29,470	4,470
Donations	155,000	155,000	169,550	14,550
Local	678,600	678,600	822,461	143,861
<b>Total revenues</b>	<u>15,934,113</u>	<u>15,934,113</u>	<u>15,717,089</u>	<u>(217,024)</u>
<b>Expenditures:</b>				
Current:				
General government	2,142,528	2,142,528	2,086,475	56,053
Public safety	753,876	753,876	668,027	85,849
Public works	1,609,138	1,609,138	1,571,606	37,532
Sanitation/waste removal	338,968	338,968	336,219	2,749
Health and welfare	376,836	376,836	343,551	33,285
Recreation	682,484	682,484	708,841	(26,357)
Education	9,260,225	9,260,225	8,941,927	318,298
Other	38,500	38,500	42,145	(3,645)
Capital outlay	385,200	627,883	733,023	(105,140)
Debt service	470,000	470,000	470,000	-
<b>Total expenditures</b>	<u>16,057,755</u>	<u>16,300,438</u>	<u>15,901,814</u>	<u>398,624</u>
<b>Net change in fund balance</b>	<u>\$ (123,642)</u>	<u>\$ (366,325)</u>	(184,725)	<u>\$ 181,600</u>
<b>Fund balance, beginning of year</b>			<u>3,249,323</u>	
<b>Fund balance, end of year</b>			<u>\$ 3,064,598</u>	

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

TOWN OF SALISBURY, CONNECTICUT

**PROPRIETARY FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<b>Business-Type Activities</b>
	<b>Sewer Enterprise Fund</b>
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 1,602,877
Investments	79,939
Sewer usage receivable	67,309
Noncurrent assets:	
Capital assets:	
Depreciable, net of accumulated depreciation	2,757,330
<b>Total assets</b>	<b>4,507,455</b>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable	55,232
Due to General Fund	184,316
Bond Anticipation Note payable	3,000,000
<b>Total liabilities</b>	<b>3,239,548</b>
<b><u>Net Position</u></b>	
Net investment in capital assets	846,517
Unrestricted	421,390
<b>Total net position</b>	<b>\$ 1,267,907</b>

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

TOWN OF SALISBURY, CONNECTICUT

PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities</u>
	<u>Sewer Enterprise Fund</u>
<b>Operating revenues</b>	
Sewer usage fees	\$ 466,001
<b>Total operating revenues</b>	<u>466,001</u>
<b>Operating expenses</b>	
Wages and benefits	306,577
Utilities	45,641
Operating expenses	75,583
Administrative expenses	15,520
Depreciation	23,455
<b>Total operating expenses</b>	<u>466,776</u>
<b>Non-operating income</b>	
Interest income	33,408
<b>Total non-operating income</b>	<u>33,408</u>
<b>Change in net position</b>	32,633
<b>Net position, beginning of year</b>	<u>1,235,274</u>
<b>Net position, end of year</b>	<u>\$ 1,267,907</u>

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

TOWN OF SALISBURY, CONNECTICUT

PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities</u>
	<u>Sewer Enterprise Fund</u>
<b>Cash flows from operating activities</b>	
Cash received from the following:	
Sewer usage fees	\$ 451,795
Cash paid for the following:	
Wages and benefits	(306,577)
Utilities	(45,641)
Operating expenses	(71,491)
Administrative expenses	(15,520)
<b>Net cash provided by operating activities</b>	<u>12,566</u>
<b>Cash flows from capital &amp; related financing activities</b>	
Due to General Fund	184,316
Proceeds from issuance of Bond Anticipation Note	3,000,000
Purchases of equipment	(1,910,813)
<b>Net cash provided by capital and related financing activities</b>	<u>1,273,503</u>
<b>Cash flows from investing activities</b>	
Interest income	33,408
<b>Net cash provided by investing activities</b>	<u>33,408</u>
<b>Net increase in cash and cash equivalents</b>	1,319,477
<b>Cash and cash equivalents, beginning of year</b>	<u>363,339</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,682,816</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income (loss)	\$ (775)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	23,455
Change in assets and liabilities	
Sewer usage receivable	(14,206)
Accounts payable	4,092
<b>Net cash provided by operating activities</b>	<u>\$ 12,566</u>

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

TOWN OF SALISBURY, CONNECTICUT

FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ -	\$ 44,092
Investments	1,376,619	-
<b>Total assets</b>	<u>1,376,619</u>	<u>44,092</u>
<b><u>Liabilities</u></b>		
Due to student groups	-	44,092
<b>Total liabilities</b>	<u>-</u>	<u>44,092</u>
<b><u>Net Position</u></b>		
<b>Total net position held in trust for pension benefits</b>	<u>\$ 1,376,619</u>	<u>\$ -</u>

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

TOWN OF SALISBURY, CONNECTICUT

**FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Pension Trust Fund</b>
<b>Additions:</b>	
Employer contributions	\$ 123,689
Investment income:	
Interest and dividends	41,334
	165,023
<b>Deductions:</b>	
Benefits paid	-
Fees and expenses	4,238
	4,238
 <b>Change in net position</b>	 160,785
<b>Net position, beginning of year</b>	1,215,834
<b>Net position, end of year</b>	\$ 1,376,619

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

**TOWN OF SALISBURY, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

The Town of Salisbury, Connecticut (the “Town”) was incorporated October 1741 under the provisions of the Connecticut General Statutes. It operates under a Board of Selectmen form of government with a Board of Finance, a Board of Education, various other boards and commissions, and provides a full range of services including public safety, public works, health and welfare, parks and recreation, education, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

**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 effects of interfund activity have been removed from these statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-Type Activities, which rely to a significant extent on fees and charges for support.

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 Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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

The various funds included in the financial statements are described below:

**Governmental Funds**

*General Fund* - the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and interest income.

*Special Revenue Funds* - account for revenue derived from specific sources (other than capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

*Capital Project Funds* - account for all financial resources used for the acquisition or construction of capital assets not being financed by proprietary funds.

*Permanent Funds* - used to report resources that are legally restricted to the extent that only income, and not principal, may be used for purposes that support the Town's programs.

**Proprietary Funds**

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following is the Town's proprietary fund:

*Enterprise Fund* - accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Fiduciary Funds**

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:

*Pension Trust Fund* - used to account for the activities of the Town's defined benefit plan, which accumulates resources for pension benefit payments to qualified employees.

*Agency Funds* - account for monies held by the Town as a custodian for outside groups and agencies.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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.



**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, charges for services, 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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance, provision for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major governmental funds:

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

The **Transfer Station Capital Fund** accounts for financial resources designated for capital projects related to the Salisbury/Sharon Transfer Station.

The **Other Capital Projects Fund** accounts for smaller, short-term capital projects that are funded through capital grants or General Fund transfers. This fund is also used to account for proceeds of bond anticipation notes and general obligation bonds used for authorized bonded projects such as acquisition and construction of capital facilities, which have not been established in a separate fund.

The **Twin Lakes Fund** was established to account for intergovernmental grants received and expended for the repair of the Twin Lakes road.

The **Bauer Fund** accounts for permanently restricted funds held by the Town and used for general assistance, recreation, and maintenance of Bauer Park as allowed under the fund.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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The **Bissell Fund** accounts for permanently restricted funds held by the Town to be spent on medical expenses of Town residents.

The **Small Cities Fund** relates to intergovernmental grants received and reflects the Town's activities related to those grants.

Additionally, the Town reports the following major proprietary fund:

The **Sewer Enterprise Fund** accounts for the operations of the Town's waste water treatment system.

### **Accounting 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, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash, Cash Equivalents, and Investments**

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 for the town are reported at fair value.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of a bank failure, the Town deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes. In general for most of the funds, this includes deposits in allowable banks, obligations of the United States of America, and obligations of any State or political subdivision, which is tax exempt.

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

*Interest Rate Risk* – Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

### **Fair Value Measurements**

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity ("observable inputs") and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances ("unobservable inputs") and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- Level 2 - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town's own assumptions about assumptions that market participants might use.

The Town's investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2020.

### **Property Taxes**

The Town levies property taxes each year on October 1, which are payable in four installments on July 1, October 1, January 1, and April 1. Supplemental motor vehicle taxes are due in full January 1. The bill becomes delinquent 30 days after the installment is due at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under Connecticut State Statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of 15 years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

The Town establishes allowances for uncollectible taxes and interest based on historical collection experience and other factors. As of June 30, 2020, no allowance for uncollectible taxes and interest was considered necessary.

### **Interfund Transactions**

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

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in appropriate governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

**Long-Term Receivables**

The Town administers a loan program for individuals and families in need. Repayment of the loans is deferred, but 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 notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2020, loans receivable totaled \$604,557 under this program.

**Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable Governmental Activities or Business-Type Activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 with 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 fair value at the date of donation.

The cost 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, equipment, and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	40 - 50
Building improvements	20
Infrastructure	50
Machinery and equipment	5 - 30
Vehicles	5 - 10

**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 expensed as incurred.

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

### **Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

### **Unearned Revenue**

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

### **Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred outflow of resources in the government-wide Statement of Net Position related to pension results from change in assumptions. These amounts are deferred and included in pension expense in a systematic and rational manner.

Deferred inflows of resources represents an acquisition of net position or fund balance 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, which arises only under the modified accrual basis of accounting. The unavailable revenues from property taxes and long-term loans are reported 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**

In the government-wide financial statements, 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 reduce this category.

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

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

Governmental Accounting Standards Board Statement #54 (GASB 54) defines the different types of fund balances that the Town must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for financial reporting purposes.

Nonspendable – fund balance amounts associated with inventories, prepaids, long-term receivables and payables, and amounts that are legally or contractually required to be maintained intact.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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Restricted – fund balance amounts that can be spent only for the specific purposes stipulated by external source providers or enabling legislation.

Committed – fund balance amounts that can be used only for specific purposes determined by a formal action of the Town’s highest level of decision-making authority.

Assigned – fund balance amounts intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed fund balances.

Unassigned – fund balance amounts remaining for the General Fund that are spendable or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

The Town does not have a formal policy over the use of fund balance. In accordance with GASB 54, the Town will use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

**Note 2 – Budgets and Budgetary Accounting**

**General Fund**

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a. A proposed operating budget is submitted for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted in the Town to obtain taxpayer comments.
- c. The budget is legally enacted through passage of ordinance.
- d. The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any major revisions that alter the total expenditures or any fund must be approved at the Town Meeting. No additional appropriations were approved at Town meetings.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgets are not employed in the other various types of funds of the Town.
- f. The Board of Education, which is not a separate legal entity, but a function of the Town, is authorized under state law to make any transfers within their budget at their discretion.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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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"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows:

	<u>Fund Balance</u> <u>Beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other</u> <u>Financing</u> <u>Source (Uses)</u>	<u>Fund Balance</u> <u>Ending</u>
GAAP basis	\$ 3,249,323	\$ 16,873,499	\$ (15,150,273)	\$ (1,907,951)	\$ 3,064,598
Reclassifications	-	-	(1,907,951)	1,907,951	-
Teachers' retirement system on behalf payments	-	(1,156,410)	1,156,410	-	-
Budgetary basis	<u>\$ 3,249,323</u>	<u>\$ 15,717,089</u>	<u>\$ (15,901,814)</u>	<u>\$ -</u>	<u>\$ 3,064,598</u>

**Special Revenue Funds**

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various Special Revenue Funds, which are utilized to account for specific grant and other special programs, are established in accordance with the requirements of the grantor agencies or Town Boards. Such budgets generally carry over until completion of the grants and programs.

**Capital Project Funds**

Legal authorization for expenditures of the Capital Project Funds is provided by Town ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

**Note 3 – Deposits and Investments**

**Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents at year end:

Governmental funds	\$ 3,197,812
Enterprise fund	1,602,877
Agency funds	<u>44,092</u>
Total cash and cash equivalents	<u>\$ 4,844,781</u>

The bank balance of the deposits was \$5,206,771 and was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 544,092
Uninsured and collateralized	<u>4,662,679</u>
Total Deposits	<u>\$ 5,206,771</u>

The level of the Town's deposits varied significantly throughout the year as a result of higher cash flows during certain periods of the year. As a result, uninsured, uncollateralized amounts fluctuate during the year.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

**Investments**

The Town has no formally adopted investment policy that would limit its investment choices due to credit risk other than the State of Connecticut General Statutes that limit investments to obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Governmental fund investments are as follows:

	Fair Value	Maturity not applicable	Investment Maturities (in years)		
			Less Than 1	1-5	5-10
<b>Governmental Activity</b>					
Bank and brokered certificates of deposit	\$ 2,890,558	\$ -	\$ 2,890,558	\$ -	\$ -
Corporate bonds and notes	831,535	-	831,535	-	-
Common stock	3,026,621	3,026,621	-	-	-
Mutual funds	776,047	776,047	-	-	-
	<u>\$ 7,524,761</u>	<u>\$ 3,802,668</u>	<u>\$ 3,722,093</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Business-Type Activities</b>					
Bank and brokered certificates of deposit	\$ 79,939	\$ -	\$ 79,939	\$ -	\$ -

**Note 4 – Interfund Receivables, Payables, and Transfers**

As of June 30, 2020, interfund receivables and payables were as follows:

	Due From					
	Transfer Station Capital Fund	Twin Lakes Fund	Nonmajor Governmental Funds	Total Governmental	Sewer Enterprise Fund	Total
Due To:						
General Fund	\$ 888,262	\$ 696,749	\$ 42,000	\$ 1,627,011	\$ 184,316	\$ 1,811,327
	<u>\$ 888,262</u>	<u>\$ 696,749</u>	<u>\$ 42,000</u>	<u>\$ 1,627,011</u>	<u>\$ 184,316</u>	<u>\$ 1,811,327</u>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance capital projects and other programs accounted for in other funds in accordance with budget and project authorizations. Interfund transfers were as follows:

	General Fund	Transfers From	
		Nonmajor Governmental Funds	Total Governmental Funds
Transfers To:			
Transfer Station Capital Fund	\$ 125,000	\$ 25,000	\$ 150,000
Other Capital Projects Fund	934,683	124,687	1,059,370
Nonmajor Governmental Funds	<u>848,268</u>	<u>-</u>	<u>848,268</u>
Total Governmental Funds	<u>\$ 1,907,951</u>	<u>\$ 149,687</u>	<u>\$ 2,057,638</u>



**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

**Note 5 – Capital Assets**

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,992,466	\$ -	\$ -	\$ 2,992,466
Construction in progress	6,446,810	3,994,212	6,084,587	4,356,435
Total capital assets not being depreciated	<u>9,439,276</u>	<u>3,994,212</u>	<u>6,084,587</u>	<u>7,348,901</u>
Capital assets being depreciated:				
Buildings and improvements	20,524,968	661,831	-	21,186,799
Machinery and equipment	3,617,619	55,635	-	3,673,254
Infrastructure	4,178,180	5,823,862	-	10,002,042
Vehicles	5,404,819	261,238	-	5,666,057
Total capital assets being depreciated	<u>33,725,586</u>	<u>6,802,566</u>	<u>-</u>	<u>40,528,152</u>
Less accumulated depreciation:				
Buildings and improvements	8,926,232	496,715	-	9,422,947
Machinery and equipment	2,775,011	133,287	-	2,908,298
Infrastructure	1,336,014	371,953	-	1,707,967
Vehicles	3,472,963	341,035	-	3,813,998
Total accumulated depreciation	<u>16,510,220</u>	<u>1,342,990</u>	<u>-</u>	<u>17,853,210</u>
Capital assets being depreciated, net of depreciation	<u>17,215,366</u>	<u>5,459,576</u>	<u>-</u>	<u>22,674,942</u>
Total governmental activities	<u>\$ 26,654,642</u>	<u>\$ 9,453,788</u>	<u>\$ -</u>	<u>\$ 30,023,843</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 620,869	\$ 1,729,000	\$ -	\$ 2,349,869
Capital assets being depreciated:				
Buildings and improvements	639,657	-	-	639,657
Machinery and equipment	429,156	181,813	-	610,969
Vehicles	37,000	-	-	37,000
Total capital assets being depreciated	<u>1,105,813</u>	<u>181,813</u>	<u>-</u>	<u>1,287,626</u>
Less accumulated depreciation:				
Building and improvements	581,857	1,779	-	583,636
Machinery and equipment	242,170	17,359	-	259,529
Vehicles	32,683	4,317	-	37,000
Total accumulated depreciation	<u>856,710</u>	<u>23,455</u>	<u>-</u>	<u>880,165</u>
Business-type activities, capital assets, net of depreciation	<u>\$ 869,972</u>	<u>\$ 1,887,358</u>	<u>\$ -</u>	<u>\$ 2,757,330</u>

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental Activities:	
General government	\$ 514,004
Public safety	109,446
Recreation	35,530
Sanitation	42,113
Public works	306,193
Education	<u>335,704</u>
Total depreciation expense – governmental activities	<u>\$ 1,342,990</u>
Business-Type Activities:	
Sewer	<u>\$ 23,455</u>
Total depreciation expense – business-type activities	<u>\$ 23,455</u>

**Note 6 – Deficit Fund Balance**

As of June 30, 2020, the Twin Lakes Fund reported deficit fund balance of \$696,749. The deficit will be satisfied through transfers from the General Fund and/or grants.

**Note 7 – Risk Management**

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of Town generally obtains commercial insurance for these risks and any claims have not exceeded commercial coverage.

**Note 8 – Commitments and Contingencies**

**Operating Leases**

The Town has entered into operating leases for office equipment that expire at various dates through August 2024. At June 30, 2020, the minimum annual future rental commitments under operating leases are as follows:

<u>Year Ended</u>	
2021	\$ 33,739
2022	32,763
2023	29,796
2024	4,994
2025	<u>283</u>
Total	<u>\$ 101,575</u>

**Contingencies**

There are legal actions pending in which the Town is involved. The Town officials are of the opinion that the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the Town.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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The Town has agreed to guarantee a loan at a local bank in the name of Salisbury Winter Sports Association, a local nonprofit organization. The amount of the loan is \$140,000. This amount has been put into a separate bank account at the local bank and is included on these financial statements as a reserve fund in Other Capital Projects Fund.

The Town, together with the Town of Sharon, Connecticut, leases property for \$1.00 annually through December 30, 2020. The property is used to operate the refuse transfer station. In connection with such lease, certain costs may be incurred at the termination of the lease in accordance with the lease terms. The amount of such costs is not determinable. In addition, during the year the Town began construction of a new transfer station in which the Town of Sharon, Connecticut is sharing in the cost. In the event the new facility is closed in the future, there may be amounts due to the Town of Sharon, Connecticut, which are not determinable.

**Note 9 – Long-Term Obligations**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General obligation bonds	\$ 1,800,000	\$ -	\$ 180,000	\$ 1,620,000	\$ 180,000
Notes payable	739,995	-	151,909	588,086	152,496
Bond anticipation notes	3,850,000	-	3,850,000	-	-
Bond anticipation notes	-	2,250,000	-	2,250,000	2,250,000
Bond anticipation notes	-	1,600,000	-	1,600,000	1,600,000
Bond anticipation notes	2,418,154	-	-	2,418,154	2,418,154
Net pension liability	<u>452,922</u>	-	<u>100,193</u>	<u>352,729</u>	-
	<u>\$ 9,261,071</u>	<u>\$ 3,850,000</u>	<u>\$ 4,282,102</u>	<u>\$ 8,828,969</u>	<u>\$ 6,600,650</u>
<b>Business-Type Activities</b>					
Sewer Fund bond anticipation notes	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>

**General Obligation Bonds**

On May 15, 2017, the Town issued \$2,170,000 of general obligation bonds to pay off the bond anticipation notes. The bonds mature serially through May 15, 2029, and bear interest at an annual rate of 2.250%.

Payments to maturity on the general obligation bonds are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 180,000	\$ 36,450
2022	180,000	32,400
2023	180,000	28,350
2024	180,000	24,300
2025	180,000	20,250
2026	180,000	16,200
2027	180,000	12,150
2028	180,000	8,100
2029	<u>180,000</u>	<u>4,050</u>
	<u>\$ 1,620,000</u>	<u>\$ 182,250</u>

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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**Bond Anticipation Notes**

On November 16, 2017, the Town issued a \$2,250,000 bond anticipation note with a maturity date of November 15, 2018. The note bears annual interest at 0.90% due upon maturity.

On December 14, 2017, the Town issued a \$1,600,000 bond anticipation note with a maturity date of November 15, 2018. The note bears annual interest at 1.37% due upon maturity.

On November 15, 2018, the above notes were paid off by issuing a new \$3,850,000 bond anticipation note with a maturity date of November 14, 2019. On November 14, 2019, the Town paid off this new \$3,850,000 bond anticipation note by issuing a new \$3,850,000 bond anticipation note as a direct placement with Salisbury Bank and Trust Company. The new note matures on November 13, 2020 and bears annual interest of 2.00%.

On May 1, 2019, The Town issued a \$2,418,154 bond anticipation note as a direct placement with Salisbury Bank and Trust Company. The note matures on April 30, 2021 and bears annual interest of 2.310% payable annually.

On July 15, 2019, the Town issued a \$3,000,000 bond anticipation note as a direct placement with Salisbury Bank and Trust Company. The note matures on July 14, 2021 and bears annual interest of 2.310% payable annually. The proceeds are to be used for the construction related to the Sewer Enterprise Fund.

Subsequent to June 30, 2020, on November 13, 2020, the Town paid off the existing \$3,850,000 bond anticipation note by issuing a new \$3,695,000 bond anticipation note as a direct placement with Salisbury Bank and Trust Company and paying off \$155,000 with cash on hand. The new note matures on November 12, 2021 and bears annual interest of 1.00%.

**Notes Payable**

The Town financed the purchase of various vehicles and equipment with local banks. As of June 30, 2020, the total balance of the outstanding loans was \$588,086.

Principal retirement is scheduled as follows:

<u>Year Ended</u>	<u>Principal</u>
2021	\$ 152,496
2022	137,315
2023	141,430
2024	145,669
2025	<u>11,176</u>
	<u>\$ 588,086</u>

**Statutory Debt Limitation**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2020.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

**Note 10 – Fund Balances**

As of June 30, 2020, governmental fund balances are composed of the following:

	General Fund	Transfer Station Capital Fund	Other Capital Projects Fund	Twin Lakes Fund	Bauer Fund	Bissell Fund	Small Cities Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Nonspendable:</u></b>									
Health and welfare	\$ -	\$ -	\$ -	\$ -	\$ 1,353,118	\$ 1,413,092	\$ -	\$ 512,375	\$ 3,278,585
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,353,118</u>	<u>1,413,092</u>	<u>-</u>	<u>512,375</u>	<u>3,278,585</u>
<b><u>Restricted:</u></b>									
Capital projects	-	-	1,241,471	-	-	-	-	-	1,241,471
General governments	26,592	-	-	-	-	-	-	-	26,592
Public works	-	-	-	-	-	-	-	341,987	341,987
Public safety	-	-	-	-	-	-	-	757,766	757,766
Sanitation/waste removal	-	208,499	-	-	-	-	-	143,418	351,917
Health and welfare	-	-	-	-	694,434	873,616	-	204,265	1,772,315
Recreation	30,592	-	-	-	-	-	-	-	30,105
	<u>57,184</u>	<u>208,499</u>	<u>1,241,471</u>	<u>-</u>	<u>694,434</u>	<u>873,616</u>	<u>-</u>	<u>1,447,436</u>	<u>4,522,640</u>
<b><u>Committed:</u></b>									
Capital projects	-	-	145,782	-	-	-	-	138,822	284,604
Public works	601,831	-	-	-	-	-	-	-	601,831
Public safety	38,213	-	-	-	-	-	-	-	38,213
Sanitation/waste removal	24,593	-	-	-	-	-	-	-	24,593
Health and welfare	122,520	-	-	-	-	-	-	85,589	208,109
	<u>787,157</u>	<u>-</u>	<u>145,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,411</u>	<u>1,157,350</u>
<b><u>Assigned</u></b>									
Subsequent year's budget	587,704	-	-	-	-	-	-	-	587,704
HS tuition	35,254	-	-	-	-	-	-	-	35,254
Unemployment	25,716	-	-	-	-	-	-	-	25,716
General government	58,525	-	-	-	-	-	-	-	58,525
Public works	60,000	-	-	-	-	-	-	-	60,000
Health and welfare	10,938	-	-	-	-	-	-	-	10,938
Education	-	-	-	-	-	-	-	26,933	26,933
	<u>778,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,933</u>	<u>805,070</u>
<b><u>Unassigned</u></b>	<u>1,442,120</u>	<u>-</u>	<u>-</u>	<u>(696,749)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,371</u>
	<u>\$ 3,064,598</u>	<u>\$ 208,499</u>	<u>\$ 1,387,253</u>	<u>\$ (696,749)</u>	<u>\$ 2,047,552</u>	<u>\$ 2,286,708</u>	<u>\$ -</u>	<u>\$ 2,211,155</u>	<u>\$10,509,016</u>

**Note 11 – Pension Plan and Benefits Provided**

**Defined Benefit Pension Plan**

**Plan Description**

The Town has a single employer, noncontributory defined benefit pension plan administered by the Town for eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers' Retirement System. The plan is funded through a trust with the MetLife Insurance Company of Connecticut who has authority and discretion to invest the funds of the plan. The Town has the authority to amend benefit provisions. The plan is considered to be a part of the Town's financial reporting entity and is included in the Town's financial statements as a Pension Trust Fund.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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All eligible employees hired before January 1, 1997, who have completed one year of service with a minimum of 20 hours per week or five months during the year are eligible for inclusion in the plan. The plan provides that effective January 1, 1994, benefits are fully vested after five years of credited service. Prior to that ten years was required. Normal retirement from Town services is at the earlier of 1) age 60 with 30 years of credited service, or 2) age 65.

Pension benefits for normal retirement under the Town's plan are calculated at 1.5% of average compensation multiplied by the number of years of credited service, less the annual annuity, if any, under MetLife Group annuity contract GR-90562. The plan also contains provisions covering early retirement and pre-retirement death and disability benefits. Any participant who made an election prior to March 31, 1998, to participate in the Town's Defined Contribution Plan had their benefit in this plan frozen as of December 31, 1997. Effective December 31, 2000, a one-time irrevocable election was offered allowing the transfer of the present value of this frozen benefit to the Defined Contribution Plan.

The Town's current pension cost is calculated to reflect the upcoming year's service accrual and to amortize the current unfunded employer past service liability over three years. As of the latest available actuarial valuation date of January 1, 2019, membership consisted of the following:

Terminated employees with vested benefits	1
Current employees:	
Vested with non-frozen benefits	3
Vested with frozen benefits	1

Funding Policy

The contribution requirements of plan members are established and may be amended by the Town. Town employees are not required to contribute to the plan. The Town is required to contribute to the plan at an actuarially determined rate.

Basis of Accounting

The Pension Trust Fund's financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Investments

For the year ended June 30, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expenses, was 3.0%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

Investments are valued at fair market value using quoted market prices.

Contribution Requirements

The Town makes annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability, and a prior service amortization payment. Such contribution was \$123,689 for the year ended June 30, 2020, related to covered payroll of \$187,104.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases, including inflation	0 Percent
Investment rate of return, net of pension investment expense	3.0 Percent

Mortality rates were based on the 1983 Group Annuity Male Mortality Table with ages set back six years for females.

The long-term expected rate of return on pension investments for each major asset class as of January 1, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Insurance Contract	100.0%	3.0%

Discount Rate

The discount rate used to measure the total pension liability was 3.0 percent. 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 employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. 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 following presents the Town's net pension liability, calculated using the discount rate of 3.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current rate.

	<u>1% Decrease (2.0%)</u>	<u>Current Discount Rate (3.0%)</u>	<u>1% Increase (4.0%)</u>
Net pension liability	\$ 507,184	\$ 352,729	\$ 220,078

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

At June 30, 2020, the Town reported a liability in the government-wide Statement of Net Position for its net pension liability.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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The components of the net pension liability of the Town at December 31, 2019, were as follows:

Total pension liability	\$ 1,712,610
Plan fiduciary net position	<u>1,359,881</u>
Net pension liability	<u>\$ 352,729</u>

January 1, 2019, is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The changes in the Town's net pension liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) – (b)</u>
Balances at 6/30/2019	<u>\$ 1,655,886</u>	<u>\$ 1,202,964</u>	<u>\$ 452,922</u>
Changes for the year:			
Service cost	-	-	-
Interest	49,882	-	49,882
Differences between expected and actual results	6,842	-	6,842
Change in assumptions	-	-	-
Contributions – employer	-	123,689	(123,689)
Contributions – employee	-	-	-
Net investment income	-	33,228	(33,228)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	-	-	-
Net changes	<u>56,724</u>	<u>156,917</u>	<u>(100,193)</u>
Balances at 6/30/2020	<u>\$ 1,712,610</u>	<u>\$ 1,359,881</u>	<u>\$ 352,729</u>

At June 30, 2020, the Town reported deferred outflows of resources in its government-wide Statement of Net Position from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ -
Change in assumptions	303,980
Net difference between projected and actual earnings on plan investments	<u>-</u>
Total	<u>\$ 303,980</u>



**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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The deferred outflows and inflows are amortized over a closed five-year period.

Amounts reported in deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30,	
2021	\$ 101,328
2022	101,328
2023	101,324

**Impact of the COVID-19 Pandemic on the Plan**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread through the United States. There continues to be considerable uncertainty around the expected duration of this pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management believes the impact on the Plan's financial condition, and changes in the fair value of its investments or results of operations will not be significant because the Plan is closed to new participants with a small number of participants remaining in the Plan and investments are conservative.

**Defined Contribution Plan**

Effective January 1, 1997, the Town established a defined contribution pension plan for eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers' Retirement System.

Eligible employees means all employees of the Town hired on and after January 1, 1997, and all non-certified employees of the Salisbury Board of Education hired on and after January 1, 1997, and any employees of the Town and any non-certified employees of the Board of Education hired prior to January 1, 1997, who irrevocably elect, no later than May 5, 1997, or during the period beginning January 1, 1998, and ending March 31, 1998, to cease participation in the defined benefit plan described above, with the accrued benefit earned pursuant to the defined benefit plan (if any) frozen subject to the vesting provisions of that plan as of the later of the effective date of this plan, or the first day of the plan year of that plan in which such election becomes effective.

Effective August 1, 2017, the plan was amended for the Town employees as follows:

- Employees who are participants of the plan may authorize saving contributions as deductions from salary by a specific amount for the Town to contribute to the plan.
- Subject to the eligibility provisions, the Town will make a matching contribution in the amount of 50% of the first \$2,000 of the employee contribution.
- Participants eligible to participate in the plan and who have reached an age of 50 years are eligible to make a catch-up contribution in accordance with IRS regulation Section 414(v).

For the fiscal year ended June 30, 2020, actual contributions by the Town were \$229,414. As of June 30, 2020, there were no securities of the Town or other related parties held in the plan. Due to the nature of the plan there is no unfunded liability. There were 41 participants in the plan at June 30, 2020.

## **Connecticut State Teachers' Retirement System**

### Description of the Connecticut State Teachers' Retirement System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the Town does not have a liability related to participants in the System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

### Benefits Provided

The benefits provided to participants by the System are as follows:

The System 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 the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989 and voluntary contributions are payable.

**Early Retirement:** Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

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

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the System, but not less than 15%, nor more than 50%. In addition, disability benefits under this System (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

A System member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

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

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 7.00% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2019/2020 school year, \$172,473 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The covered payroll for the Town is \$2,463,885. The Town had 33 active participants in the System at June 30, 2020.

Employers are not required to contribute to the System. The Town does not contribute to the System.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, which was revised to reflect changes contained in the enactment of House Bill 7424 (HB 7424) using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age
Amortization method	Level percent of pay, closed
Asset valuation method	4-year smoothed market
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, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 using the MP-2014 improvement scale is used for the period after disability retirement.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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The actuarial demographic assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015. The actuarial economic assumptions used in the June 30, 2018 valuation were based on the results of a study of economic assumptions for use in actuarial valuations report dated April 24, 2019.

Since the prior valuation, the Board adopted new assumptions in conjunction with HB 7424. The changes in assumptions are summarized below:

- Reduce the inflation assumption from 2.75% to 2.50%.
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 State Treasurer’s Office, are shown in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity - U.S. equity	20.0%	17.0%
Public equity – International developed equity	11.0%	19.0%
Public equity – Emerging markets	9.0%	24.0%
Fixed income – Core fixed income	16.0%	7.0%
Fixed income – Inflation linked bonds	5.0%	7.0%
Fixed income – High yield	6.0%	11.0%
Fixed income – Emerging market debt	5.0%	11.0%
Private equity	10.0%	23.0%
Real estate	10.0%	15.0%
Alternative – Real assets	4.0%	17.0%
Alternative – Hedge funds	3.0%	7.0%
Liquidity fund	<u>1.0%</u>	1.0%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that System 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 System’s fiduciary net position was projected to be available to make all projected future benefit payments of current System members. Therefore, the long-term expected rate of return on pension System investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability of the System, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	<u>1% Decrease</u> <u>(5.90%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.90%)</u>	<u>1% Increase</u> <u>(7.90%)</u>
Sensitivity of the System’s proportionate share of the net pension liability related to the Town	\$ 12,948,380	\$ 10,380,265	\$ 8,221,249

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$10,380,265 and 100% of the collective net pension liability is allocated to the State.

June 30, 2018, is the actuarial valuation date upon which the total pension liability is based, which was revised to reflect changes contained in the enactment of House Bill 7424 (HB 7424). The total pension liability is determined as of June 30, 2019, using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the System year and then applies the expected investment rate of return for the year. The procedure was used to determine the System’s total pension liability as of June 30, 2019, which is the measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2020, the Town recognized \$1,274,873 as the amount expended by the State on behalf of the Town to meet the State’s funding requirements.

Impact of the COVID-19 Pandemic on the System

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread through the United States. There continues to be considerable uncertainty around the expected duration of this pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. At this point, the extent to which COVID-19 may impact the System’s financial condition and changes in the fair value of its investments or results of operations cannot be reasonably estimated.

**Note 12 – Connecticut State Teachers’ Other Post-Employment Benefits (OPEB)**

Description of the Connecticut State Teachers’ Other Post-Employment Benefits (OPEB)

Teachers within the Town’s school system participate in a retirement system administered by the Connecticut State Teachers’ Retirement Board, which includes the Retiree Health Insurance Plan (Connecticut State Teachers’ OPEB). This Connecticut State Teachers’ OPEB is a cost sharing multiple employer defined benefit OPEB plan with a special funding situation. As such, the Town does not have a liability related to participants in the Connecticut State Teachers’ OPEB.

The Connecticut State Teachers’ OPEB is considered a part of the State of Connecticut financial reporting entity and is included in the State’s financial reports. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

The Connecticut State Teachers’ OPEB is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units. Participation is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate.

Eligibility

Teachers and Administrators (Certified) – A Teacher or Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

Normal Retirement for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Not Certified – A retired employee shall be eligible to receive health benefits for self and spouse.

Benefit Provisions

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Connecticut State Teachers’ OPEB. There are two types of the health care benefits offered. Subsidized Local School Town Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School Town Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid to a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare and 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.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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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 Connecticut State Teachers' OPEB 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

The Connecticut State Teachers' OPEB contributions made by the State are determined on an actuarial reserve basis.

Participants are required to contribute 1.25% of their annual salary rate to the Connecticut State Teachers' OPEB as required by CGS Section 10-183b (7). For the 2019/2020 school year, \$30,799 mandatory contributions were deducted from the salaries of teachers who were participants of the Connecticut State Teachers' OPEB during that school year. The covered payroll for the Town is \$2,463,885. The Town had 33 active participants in the Connecticut State Teachers' OPEB at June 30, 2020.

Employers are not required to contribute to the Connecticut State Teachers' OPEB. The Town does not contribute to the Connecticut State Teachers' OPEB.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Reporting Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, level percent of salary
Salary increases	3.25% to 6.50%
Inflation rate	2.75%
Discount rate	3.50% as of June 30, 2019, which is based on the 20-bond Municipal Index rate
Healthcare cost trend rates	5.95% for 2019 decreasing to an ultimate rate of 5.00% by 2022
Mortality rates	Based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

The 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 – June 30, 2016.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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The long-term expected rate of return on investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. treasuries (cash equivalents)	<u>100.0%</u>	3.00%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent. 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 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 Connecticut State Teachers' OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town	\$ 1,929,196	\$ 1,618,861	\$ 1,371,738

Sensitivity of the Net 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 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 the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town	\$ 1,348,657	\$ 1,618,861	\$ 1,979,803



**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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OPEB liabilities, OPEB expense, and deferred inflows/outflows of resources related to OPEB

The State makes all contributions to the Connecticut State Teachers' OPEB on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 75 and the State is treated as a non-employer contributing entity in the Connecticut State Teachers' OPEB. Since the districts do not contribute directly to the Connecticut State Teachers' OPEB, there is no net OPEB liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the State's net OPEB liability that was associated with the Town was \$1,618,861 and 100 percent of the collective net OPEB liability is allocated to the State. The Town's proportionate share of the OPEB liability is zero.

The Town recognized the OPEB expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective OPEB expense associated with the Town. For the fiscal year ended June 30, 2020, the Town recognized a negative \$118,463 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Impact of the COVID-19 Pandemic on the System

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread through the United States. There continues to be considerable uncertainty around the expected duration of this pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. At this point, the extent to which COVID-19 may impact the System's financial condition, and changes in the fair value of its investments or results of operations cannot be reasonably estimated.

**Note 13 – Recently Issued Accounting Standards Not Yet Adopted**

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 Pandemic. That objective is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021, which reflects the eighteen month postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61, The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Town does not expect this statement to have a material effect on its financial statements.

**Note 15 – Subsequent Events**

Management has evaluated subsequent events from the financial statement date of June 30, 2020 through January 22, 2021, which is the date these financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

**Town of Salisbury, Connecticut**  
**Notes to Financial Statements**  
**June 30, 2020 (continued)**

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In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could be significantly adversely affected. The extent to which the coronavirus may impact governmental activity, business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the duration and severity of the coronavirus and the continued actions required to contain the coronavirus or treat its impact, among others. The Town has not included any contingencies in the financial statements specific to this issue.

On November 13, 2020, the Town paid off the existing \$3,850,000 bond anticipation note by issuing a new note in the amount \$3,695,000 and paying \$155,000 in cash. This new bond anticipation note matures on November 12, 2021 and bears annual interest of 1.00%.

**REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)**

**TOWN OF SALISBURY, CONNECTICUT**

**PENSION TRUST FUND  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>							
Service cost	\$ -	\$ 3,295	\$ 3,120	\$ 3,010	\$ 2,867	\$ 8,396	\$ 8,107
Interest	49,882	80,512	81,205	78,563	76,220	72,331	67,686
Change in assumptions	-	506,636	-	-	-	-	-
Difference between expected and actual results	6,842	(41,467)	(46,448)	(47,989)	(23,342)	(9,865)	-
Benefit payments	-	(57,032)	-	-	-	-	(25,768)
Net change in total pension liability	56,724	491,944	37,877	33,584	55,745	70,862	50,025
Total pension liability:							
Beginning	1,655,886	1,163,942	1,126,065	1,092,481	1,036,736	965,874	915,849
Ending	<u>\$ 1,712,610</u>	<u>\$ 1,655,886</u>	<u>\$ 1,163,942</u>	<u>\$ 1,126,065</u>	<u>\$ 1,092,481</u>	<u>\$ 1,036,736</u>	<u>\$ 965,874</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 123,689	\$ 164,558	\$ 26,639	\$ 44,278	\$ 62,983	\$ 76,052	\$ 82,216
Net investment income	33,228	23,610	27,294	34,262	33,092	27,590	24,669
Benefit payments	-	(57,032)	-	-	-	-	(25,768)
Administrative expenses	-	-	-	-	-	-	-
Net change in plan fiduciary net position	156,917	131,136	53,933	78,540	96,075	103,642	81,117
Plan fiduciary net position:							
Beginning	1,202,964	1,071,828	1,017,895	939,355	843,280	739,638	658,521
Ending	<u>\$ 1,359,881</u>	<u>\$ 1,202,964</u>	<u>\$ 1,071,828</u>	<u>\$ 1,017,895</u>	<u>\$ 939,355</u>	<u>\$ 843,280</u>	<u>\$ 739,638</u>
Net pension liability - ending	<u>\$ 352,729</u>	<u>\$ 452,922</u>	<u>\$ 92,114</u>	<u>\$ 108,170</u>	<u>\$ 153,126</u>	<u>\$ 193,456</u>	<u>\$ 226,236</u>
Plan fiduciary net position as % of the total pension liability	<u>79.40%</u>	<u>72.65%</u>	<u>92.09%</u>	<u>90.39%</u>	<u>85.98%</u>	<u>81.34%</u>	<u>76.58%</u>
Covered payroll	<u>\$ 187,104</u>	<u>\$ 178,763</u>	<u>\$ 170,676</u>	<u>\$ 170,764</u>	<u>\$ 161,287</u>	<u>\$ 156,328</u>	<u>\$ 152,515</u>
Net pension liability as % of covered payroll	<u>188.52%</u>	<u>253.36%</u>	<u>53.97%</u>	<u>63.34%</u>	<u>94.94%</u>	<u>123.75%</u>	<u>148.34%</u>

See accompanying Independent Auditors' Report.

**TOWN OF SALISBURY, CONNECTICUT**

**PENSION TRUST FUND  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF CONTRIBUTIONS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 123,689	\$ 123,490	\$ 41,068	\$ 26,639	\$ 44,278	\$ 62,983	\$ 76,052
Contribution in relation to the actuarially determined contribution	<u>123,689</u>	<u>123,490</u>	<u>41,068</u>	<u>26,639</u>	<u>44,278</u>	<u>62,983</u>	<u>76,052</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 187,104</u>	<u>\$ 178,763</u>	<u>\$ 170,676</u>	<u>\$ 170,764</u>	<u>\$ 161,287</u>	<u>\$ 156,328</u>	<u>\$ 152,515</u>
Contribution as a percent of covered payroll	<u>66.11%</u>	<u>69.08%</u>	<u>24.06%</u>	<u>15.60%</u>	<u>27.45%</u>	<u>40.29%</u>	<u>49.87%</u>

**Notes to Schedule**

Valuation Date	1/1/2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of payroll, open
Remaining Amortization Period	3 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	3.0%
Projected Salary Increases	0.0%
Mortality	1994 Group Annuity Reserve Table for both males and females

See accompanying Independent Auditors' Report.

**TOWN OF SALISBURY, CONNECTICUT**

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>10,380,265</u>	<u>8,003,748</u>	<u>8,052,261</u>	<u>8,495,197</u>	<u>6,518,289</u>	<u>6,024,852</u>
Total	<u>\$ 10,380,265</u>	<u>\$ 8,003,748</u>	<u>\$ 8,052,261</u>	<u>\$ 8,495,197</u>	<u>\$ 6,518,289</u>	<u>\$ 6,024,852</u>
Town's covered-employee payroll	<u>\$ 2,463,885</u>	<u>\$ 2,360,553</u>	<u>\$ 2,504,318</u>	<u>\$ 2,426,407</u>	<u>\$ 2,355,583</u>	<u>\$ 2,210,414</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
System fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

**Notes to Connecticut State Teachers' Retirement System**

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increase	3.25-6.50 percent, including inflation
Investment rate of return	6.90 percent, net of investment related expense

See accompanying Independent Auditors' Report.

**TOWN OF SALISBURY, CONNECTICUT**

**CONNECTICUT STATE TEACHERS' OTHER POST EMPLOYMENT BENEFITS (OPEB)  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>1,618,861</u>	<u>1,600,016</u>	<u>2,072,556</u>
Total	<u>\$ 1,618,861</u>	<u>\$ 1,600,016</u>	<u>\$ 2,072,556</u>
Town's covered-employee payroll	<u>\$ 2,463,885</u>	<u>\$ 2,360,553</u>	<u>\$ 2,504,318</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
System fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

See accompanying Independent Auditors' Report.



**SUPPLEMENTAL  
STATEMENTS AND SCHEDULES**

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Property taxes</b>	\$ 14,769,359	\$ 14,769,359	\$ 14,278,652	\$ (490,707)
<b>Intergovernmental:</b>				
Education Cost Sharing (ECS)	12,273	12,273	15,958	3,685
State in lieu of taxes	83	83	3,342	3,259
Federal in lieu of taxes	-	-	5,503	5,503
LOCIP Grant	-	-	87,970	87,970
Veterans Tax Relief	-	-	1,021	1,021
Other grants	-	-	8,604	8,604
Totally disabled	-	-	83	83
Town aid road	293,798	293,798	294,475	677
	<u>306,154</u>	<u>306,154</u>	<u>416,956</u>	<u>110,802</u>
<b>Investment earnings</b>	<u>25,000</u>	<u>25,000</u>	<u>29,470</u>	<u>4,470</u>
<b>Donations</b>	<u>155,000</u>	<u>155,000</u>	<u>169,550</u>	<u>14,550</u>
<b>Local:</b>				
Stickers - resident	90,000	90,000	79,356	(10,644)
Town Clerk fees	35,000	35,000	54,710	19,710
Copies	10,200	10,200	8,023	(2,177)
Construction permit fees	210,000	210,000	239,098	29,098
Conveyance taxes	140,000	140,000	127,972	(12,028)
Vitals	9,500	9,500	10,037	537
Zoning and ZBA	5,100	5,100	4,440	(660)
Miscellaneous fees	5,000	5,000	3,025	(1,975)
License and permit fees	300	300	3,288	2,988
Document preservation	2,500	2,500	2,129	(371)
Other local revenue	20,500	20,500	145,400	124,900
Recreation program	45,000	45,000	36,313	(8,687)
Telephone access	20,000	20,000	21,631	1,631
Cell tower rent	46,500	46,500	50,183	3,683
Building rental	6,000	6,000	3,856	(2,144)
194 Main Street rent	33,000	33,000	33,000	-
	<u>678,600</u>	<u>678,600</u>	<u>822,461</u>	<u>143,861</u>
<b>Total revenues</b>	<u>\$ 15,934,113</u>	<u>\$ 15,934,113</u>	<u>\$ 15,717,089</u>	<u>\$ (217,024)</u>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
<b>General Government:</b>					
Selectmen - salaries and expenses	\$ 105,930	\$ -	\$ 105,930	\$ 104,930	\$ 1,000
Selectmen - secretary	57,374	-	57,374	46,847	10,527
Probate court	9,312	-	9,312	9,312	-
Registrar of Voters	38,700	-	38,700	21,957	16,743
Board of Finance	14,000	-	14,000	12,239	1,761
Audit and accounting	14,300	-	14,300	14,250	50
Assessor - salary and expenses	87,825	-	87,825	96,643	(8,818)
Board of Tax Review	250	-	250	-	250
Tax Collector - salary and expenses	88,206	-	88,206	89,644	(1,438)
Town Treasurer - salary and expenses	91,818	-	91,818	87,359	4,459
Legal fees and services	61,000	-	61,000	43,338	17,662
Town Clerk - salary and expenses	129,884	-	129,884	115,849	14,035
Planning & Zoning Commission	55,674	-	55,674	68,198	(12,524)
Zoning Board of Appeals	3,416	-	3,416	3,026	390
Town Hall operations	81,500	-	81,500	83,317	(1,817)
Town Hall expenses	52,700	-	52,700	48,710	3,990
Pension plan	205,000	-	205,000	229,414	(24,414)
Longevity	22,090	-	22,090	16,451	5,639
FICA taxes	139,000	-	139,000	132,144	6,856
Health benefits	717,330	-	717,330	716,880	450
Workers' compensation	47,964	-	47,964	39,203	8,761
Life/disability insurance	10,000	-	10,000	11,627	(1,627)
Unemployment compensation	1,500	-	1,500	1,508	(8)
Other insurance	58,000	-	58,000	42,321	15,679
Council of Small Towns	725	-	725	725	-
CT Conference of Municipalities	2,770	-	2,770	2,768	2
NW Region Council of Government	3,000	-	3,000	2,898	102
Housatonic River Commission	350	-	350	350	-
Street lighting	23,000	-	23,000	23,460	(460)
Conservation Commission	19,910	-	19,910	21,107	(1,197)
	<u>2,142,528</u>	<u>-</u>	<u>2,142,528</u>	<u>2,086,475</u>	<u>56,053</u>
<b>Public Safety:</b>					
Volunteer pension	35,000	-	35,000	2,800	32,200
Emergency preparedness	2,750	-	2,750	4,000	(1,250)
Fire protection	312,300	-	312,300	312,300	-
Litchfield County Dispatch	42,000	-	42,000	41,773	227
Building Official expenses	72,563	-	72,563	70,006	2,557
Fire Marshal	28,000	-	28,000	20,526	7,474
Police protection	237,403	-	237,403	200,348	37,055
Civil Defense	5	-	5	-	5
SARA	5	-	5	-	5
Dog Warden	14,850	-	14,850	11,942	2,908
Water patrol - Twin Lakes	9,000	-	9,000	4,332	4,668
	<u>753,876</u>	<u>-</u>	<u>753,876</u>	<u>668,027</u>	<u>85,849</u>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
<b>Public Works:</b>					
General maintenance	\$ 785,990	\$ -	\$ 785,990	\$ 734,701	\$ 51,289
Engineering studies	4,000	-	4,000	-	4,000
Snow and ice removal	241,600	-	241,600	171,276	70,324
Highway materials	5,700	-	5,700	4,816	884
Town garage	48,050	-	48,050	31,133	16,917
Road work	493,798	-	493,798	595,781	(101,983)
Tree Care Program	30,000	-	30,000	33,899	(3,899)
	<u>1,609,138</u>	<u>-</u>	<u>1,609,138</u>	<u>1,571,606</u>	<u>37,532</u>
<b>Sanitation/Waste Removal:</b>					
Transfer station	310,968	-	310,968	310,968	-
SSRRA	25,000	-	25,000	25,000	-
Recycling center	3,000	-	3,000	251	2,749
	<u>338,968</u>	<u>-</u>	<u>338,968</u>	<u>336,219</u>	<u>2,749</u>
<b>Health and Welfare:</b>					
<b>Conservation of Health:</b>					
Public Health Nursing Assoc.	114,311	-	114,311	114,311	-
Housatonic Mental Health Center	19,076	-	19,076	19,076	-
NWRMH	399	-	399	543	(144)
TAHD Screening	25,036	-	25,036	25,036	-
Elderly Services	53,455	-	53,455	33,585	19,870
Drug and Alcohol Testing	500	-	500	-	500
	<u>212,777</u>	<u>-</u>	<u>212,777</u>	<u>192,551</u>	<u>20,226</u>
<b>Welfare:</b>					
Youth Services Bureau	14,680	-	14,680	14,680	-
General assistance	33,423	-	33,423	33,335	88
Susan B. Anthony	2,124	-	2,124	2,124	-
Womens Emergency Services	2,124	-	2,124	2,124	-
Summer work program	15,000	-	15,000	15,000	-
Extras	5	-	5	-	5
NW Transportation District	2,186	-	2,186	2,186	-
Housatonic Day Care Center	41,667	-	41,667	41,667	-
Geer Adult Care	14,500	-	14,500	14,500	-
NW Chore	3,000	-	3,000	3,000	-
Housatonic Valley Association	250	-	250	250	-
NW CT Reg Housing	100	-	100	100	-
Housing Coordinator	35,000	-	35,000	22,034	12,966
	<u>164,059</u>	<u>-</u>	<u>164,059</u>	<u>151,000</u>	<u>13,059</u>
Total health and welfare	<u>376,836</u>	<u>-</u>	<u>376,836</u>	<u>343,551</u>	<u>33,285</u>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
<b>Recreation:</b>					
Scovill Memorial Library	\$ 181,952	\$ -	\$ 181,952	\$ 181,952	\$ -
Lake management	107,000	-	107,000	111,439	(4,439)
Ball field	20,000	-	20,000	24,380	(4,380)
Recreation Commission	125,717	-	125,717	108,005	17,712
Town Grove - expenses	218,791	-	218,791	250,234	(31,443)
Recreation building - Town Grove	22,900	-	22,900	29,480	(6,580)
Christmas lighting	2,124	-	2,124	2,124	-
Memorial Day	4,000	-	4,000	1,227	2,773
	<u>682,484</u>	<u>-</u>	<u>682,484</u>	<u>708,841</u>	<u>(26,357)</u>
<b>Other:</b>					
Cemeteries	2,000	-	2,000	-	2,000
Historic District Commission	4,500	-	4,500	1,911	2,589
Sundries	5,000	-	5,000	2,743	2,257
Community information	12,000	-	12,000	14,570	(2,570)
Municipal development	15,000	-	15,000	22,921	(7,921)
	<u>38,500</u>	<u>-</u>	<u>38,500</u>	<u>42,145</u>	<u>(3,645)</u>
<b>Debt Service:</b>					
Refunding costs	470,000	-	470,000	470,000	-
	<u>470,000</u>	<u>-</u>	<u>470,000</u>	<u>470,000</u>	<u>-</u>
<b>Education:</b>					
Certified staff	2,367,220	-	2,367,220	2,340,180	27,040
Coaching	13,332	-	13,332	8,888	4,444
Extra duty	32,418	-	32,418	27,983	4,435
Substitutes	72,861	-	72,861	84,863	(12,002)
Para professionals	208,898	-	208,898	211,514	(2,616)
Other-ell/504	5,500	-	5,500	609	4,891
Principal	129,430	-	129,430	131,309	(1,879)
Secretarial	91,166	-	91,166	93,049	(1,883)
Secretarial o-t	1,953	-	1,953	2,003	(50)
Custodial	257,108	-	257,108	254,983	2,125
Custodial o-t	4,281	-	4,281	3,135	1,146
Board clerk	59,631	-	59,631	59,631	-
Board clerk o-t	2,704	-	2,704	3,366	(662)
Computer technician	40,206	-	40,206	41,125	(919)
Health ins. Teachers	549,803	-	549,803	499,274	50,529
Health ins. Support	194,559	-	194,559	194,938	(379)
Pension	132,595	-	132,595	139,844	(7,249)
Life insurance	10,467	-	10,467	10,036	431
FICA & Medicare	101,582	-	101,582	95,655	5,927
Tuition reimbursement	8,875	-	8,875	5,913	2,962
Unemployment	200	-	200	625	(425)
Workers compensation	20,386	-	20,386	20,467	(81)

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
<b>Education (continued):</b>					
Instructional	\$ 12,814	\$ -	\$ 12,814	\$ 7,558	\$ 5,256
Curr dev/training	23,000	-	23,000	19,812	3,188
Tech training	1,000	-	1,000	-	1,000
Testing-students	1,181	-	1,181	1,456	(275)
Tuition-summer school	12,000	-	12,000	10,308	1,692
Title one	90,000	-	90,000	82,020	7,980
Tutor/homebound/outplaced	15,000	-	15,000	5,968	9,032
Nurse services	47,683	-	47,683	40,066	7,617
Medical advisor	600	-	600	700	(100)
Referee/interschool	2,600	-	2,600	1,801	799
Network support	60,576	-	60,576	56,200	4,376
Tech contracts	49,654	-	49,654	50,361	(707)
Leasing contracts	28,597	-	28,597	28,109	488
Transp contract	376,827	-	376,827	286,567	90,260
Transp-field trips	31,488	-	31,488	9,470	22,018
Transp-athletics	3,895	-	3,895	3,313	582
Lunch program	13,000	-	13,000	2,944	10,056
Aesop	1,264	-	1,264	1,580	(316)
Travel-prof staff	1,350	-	1,350	224	1,126
BOE approved programs	2,000	-	2,000	909	1,091
Consultant/engineer	2,000	-	2,000	-	2,000
Audit	6,500	-	6,500	6,000	500
Legal fees	5,000	-	5,000	175	4,825
Enumerator	1,575	-	1,575	-	1,575
Cleaning	500	-	500	333	167
Copier overages	4,000	-	4,000	437	3,563
Insurance	19,046	-	19,046	16,541	2,505
Insurance-sports	785	-	785	267	518
Dues & fees	6,375	-	6,375	4,539	1,836
Classified ads	750	-	750	378	372
Internet	11,000	-	11,000	6,439	4,561
Postage	2,000	-	2,000	2,278	(278)
Printing	500	-	500	90	410
Telephone	11,640	-	11,640	11,441	199
Water & sewer	7,400	-	7,400	6,107	1,293
Maintenance contracts	26,287	-	26,287	24,853	1,434
Oil burners	5,477	-	5,477	5,850	(373)
Heating controls	13,602	-	13,602	13,602	-
Snow plowing	8,500	-	8,500	8,500	-
Asbestos management	500	-	500	-	500
Rubbish removal	10,401	-	10,401	11,001	(600)
Travel-BOE	1,000	-	1,000	506	494
Grounds	27,450	-	27,450	29,549	(2,099)
Emergency	2,000	-	2,000	-	2,000
Repairs	2,700	-	2,700	2,766	(66)
Art	4,200	-	4,200	4,533	(333)

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
<b>Education (continued):</b>					
Enrichment	\$ 873	\$ -	\$ 873	\$ 121	\$ 752
Language arts	7,000	-	7,000	11,232	(4,232)
Maker space	2,000	-	2,000	1,070	930
Math	7,600	-	7,600	12,635	(5,035)
Music	1,583	-	1,583	2,317	(734)
Physical education	865	-	865	882	(17)
Science	1,622	-	1,622	2,934	(1,312)
Social studies	1,000	-	1,000	920	80
Special education	1,250	-	1,250	180	1,070
Technology	800	-	800	538	262
World language	1,700	-	1,700	550	1,150
Textbooks	1,859	-	1,859	594	1,265
Library books	6,600	-	6,600	5,679	921
Magazines/periodicals	700	-	700	185	515
Professional materials	2,400	-	2,400	1,512	888
Special innovative	1,050	-	1,050	633	417
Nurse	1,200	-	1,200	934	266
Coaching	2,900	-	2,900	998	1,902
Gen supplies	20,760	-	20,760	20,935	(175)
Library/media	900	-	900	-	900
AV/technology	5,000	-	5,000	3,058	1,942
Replace tech/comp	49,480	-	49,480	47,910	1,570
Heating fuel-lower building	15,750	-	15,750	13,927	1,823
Heating fuel-upper building	67,500	-	67,500	69,871	(2,371)
Electric-lower building	14,240	-	14,240	9,457	4,783
Electric-upper building	46,674	-	46,674	53,469	(6,795)
Propane-non kitchens	900	-	900	907	(7)
Custodial	22,157	-	22,157	31,849	(9,692)
Maintenance	15,923	-	15,923	6,435	9,488
Office	2,310	-	2,310	2,002	308
BOE	1,400	-	1,400	1,305	95
Graduation	1,500	-	1,500	1,909	(409)
Meeting	2,500	-	2,500	2,298	202
Code compliance	50	-	50	-	50
Repairs	10,880	-	10,880	2,240	8,640
Repairs - lower building	7,500	-	7,500	4,670	2,830
Educational	361	-	361	312	49
Furniture/fixtures - upper building	3,464	-	3,464	3,494	(30)
Repairs - upper building	10,000	-	10,000	45,570	(35,570)
Transfers	10	-	10	-	10

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
<b>Education (continued):</b>					
Capital reserve	\$ 75,000	\$ -	\$ 75,000	\$ 75,000	\$ -
HVRHS	1,969,526	-	1,969,526	1,986,043	(16,517)
Other	22,391	-	22,391	-	22,391
Pupil services	1,311,404	-	1,311,404	1,226,698	84,706
RSSC	278,751	-	278,751	293,713	(14,962)
	<u>9,260,225</u>	<u>-</u>	<u>9,260,225</u>	<u>8,941,927</u>	<u>318,298</u>
<b>Capital Outlay:</b>					
Railroad Station repairs	4,000	-	4,000	2,561	1,439
Highway equipment	200,000	-	200,000	200,000	-
Bridge repairs	10,000	-	10,000	10,000	-
Municipal building	50,000	-	50,000	50,000	-
Municipal improvements	89,000	-	89,000	77,000	12,000
New fire house	20,000	-	20,000	10,641	9,359
Old fire house	1,200	-	1,200	667	533
Perry Street	-	-	-	10,955	(10,955)
194 warehouse	5,000	-	5,000	3,907	1,093
194 upper rental	2,000	-	2,000	774	1,226
Fitting house	1,000	-	1,000	2,628	(1,628)
Miscellaneous	3,000	-	3,000	1,053	1,947
LOCIP	-	-	-	120,154	(120,154)
Education	-	242,683	242,683	242,683	-
	<u>385,200</u>	<u>242,683</u>	<u>627,883</u>	<u>733,023</u>	<u>(105,140)</u>
<b>Total expenditures</b>	<u>\$ 16,057,755</u>	<u>\$ 242,683</u>	<u>\$ 16,300,438</u>	<u>\$ 15,901,814</u>	<u>\$ 398,624</u>

See accompanying Independent Auditors' Report.



TOWN OF SALISBURY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2020

	Special Revenue Funds	Capital Project Funds	Permanent Funds Coffing Support of Poor Fund	<b>Total</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 950,230	\$ -	\$ 106,222	\$ 1,056,452
Investments	248,883	479,821	485,012	1,213,716
Receivables	35,880	988	-	36,868
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 1,234,993</b>	<b>\$ 480,809</b>	<b>\$ 591,234</b>	<b>\$ 2,307,036</b>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 47,701	\$ -	\$ -	\$ 47,701
Unearned revenue	6,180	-	-	6,180
Due to other funds	42,000	-	-	42,000
<b>Total liabilities</b>	<b>95,881</b>	<b>-</b>	<b>-</b>	<b>95,881</b>
<b>Fund Balances:</b>				
Nonspendable	69,630	-	442,745	512,375
Restricted	956,960	341,987	148,489	1,447,436
Committed	85,589	138,822	-	224,411
Assigned	26,933	-	-	26,933
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>1,139,112</b>	<b>480,809</b>	<b>591,234</b>	<b>2,211,155</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,234,993</b>	<b>\$ 480,809</b>	<b>\$ 591,234</b>	<b>\$ 2,307,036</b>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Project Funds	Permanent Funds Coffing Support of Poor Fund	<b>Total</b>
<b>Revenues:</b>				
Intergovernmental	\$ 271,593	\$ -	\$ -	\$ 271,593
Investment earnings	11,175	6,575	33,130	50,880
Local	770,051	140,153	-	910,204
<b>Total revenues</b>	<u>1,052,819</u>	<u>146,728</u>	<u>33,130</u>	<u>1,232,677</u>
<b>Expenditures:</b>				
Current expenditures:				
Public safety	235,323	-	-	235,323
Sanitation / waste removal	1,050,520	-	-	1,050,520
Health and welfare	153,468	-	-	153,468
Education	128,533	-	-	128,533
Other	-	-	13,441	13,441
Capital outlay	-	151,755	-	151,755
<b>Total expenditures</b>	<u>1,567,844</u>	<u>151,755</u>	<u>13,441</u>	<u>1,733,040</u>
<b>Excess of revenues over (under) expenditures</b>	(515,025)	(5,027)	19,689	(500,363)
<b>Other financing sources (uses):</b>				
Transfers in (out)	613,268	85,313	-	698,581
	<u>613,268</u>	<u>85,313</u>	<u>-</u>	<u>698,581</u>
<b>Net change in fund balances</b>	98,243	80,286	19,689	198,218
<b>Fund balances, beginning of year</b>	<u>1,040,869</u>	<u>400,523</u>	<u>571,545</u>	<u>2,012,937</u>
<b>Fund balances, end of year</b>	<u>\$ 1,139,112</u>	<u>\$ 480,809</u>	<u>\$ 591,234</u>	<u>\$ 2,211,155</u>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2020

	Summer Work Program	School Lunch Fund	Extras Program	Salisbury Fire Commission	Transfer Station Fund	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 91,666	\$ 42,682	\$ 45,419	\$ 750,628	\$ 19,835	\$ 950,230
Investments	33,740	6,806	41,405	-	166,932	248,883
Receivables	-	19,445	-	7,138	9,297	35,880
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 125,406</b>	<b>\$ 68,933</b>	<b>\$ 86,824</b>	<b>\$ 757,766</b>	<b>\$ 196,064</b>	<b>\$ 1,234,993</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 1,235	\$ -	\$ 46,466	\$ 47,701
Unearned revenue	-	-	-	-	6,180	6,180
Due to other funds	-	42,000	-	-	-	42,000
<b>Total liabilities</b>	<b>-</b>	<b>42,000</b>	<b>1,235</b>	<b>-</b>	<b>52,646</b>	<b>95,881</b>
<b>Fund Balances:</b>						
Nonspendable	69,630	-	-	-	-	69,630
Restricted	55,776	-	-	757,766	143,418	956,960
Committed	-	-	85,589	-	-	85,589
Assigned	-	26,933	-	-	-	26,933
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>125,406</b>	<b>26,933</b>	<b>85,589</b>	<b>757,766</b>	<b>143,418</b>	<b>1,139,112</b>
<b>Total liabilities and fund balances</b>	<b>\$ 125,406</b>	<b>\$ 68,933</b>	<b>\$ 86,824</b>	<b>\$ 757,766</b>	<b>\$ 196,064</b>	<b>\$ 1,234,993</b>

See accompanying Independent Auditors' Report.

**TOWN OF SALISBURY, CONNECTICUT**

**SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Summer Work Program	School Lunch Fund	Extras Program	Salisbury Fire Commission	Transfer Station Fund	<b>Total</b>
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 64,273	\$ -	\$ -	\$ 207,320	\$ 271,593
Investment earnings	150	-	379	7,271	3,375	11,175
Local	40,548	47,858	138,559	46,413	496,673	770,051
<b>Total revenues</b>	<u>40,698</u>	<u>112,131</u>	<u>138,938</u>	<u>53,684</u>	<u>707,368</u>	<u>1,052,819</u>
<b>Expenditures:</b>						
Current expenditures:						
Public safety	-	-	-	235,323	-	235,323
Sanitation / waste removal	-	-	-	-	1,050,520	1,050,520
Health and welfare	-	-	153,468	-	-	153,468
Education	21,958	106,575	-	-	-	128,533
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<u>21,958</u>	<u>106,575</u>	<u>153,468</u>	<u>235,323</u>	<u>1,050,520</u>	<u>1,567,844</u>
<b>Excess of revenues over (under) expenditures</b>	18,740	5,556	(14,530)	(181,639)	(343,152)	(515,025)
<b>Other financing sources (uses):</b>						
Transfers in (out)	15,000	-	-	312,300	285,968	613,268
<b>Net change in fund balances</b>	33,740	5,556	(14,530)	130,661	(57,184)	98,243
<b>Fund balances, beginning of year</b>	<u>91,666</u>	<u>21,377</u>	<u>100,119</u>	<u>627,105</u>	<u>200,602</u>	<u>1,040,869</u>
<b>Fund balances, end of year</b>	<u>\$ 125,406</u>	<u>\$ 26,933</u>	<u>\$ 85,589</u>	<u>\$ 757,766</u>	<u>\$ 143,418</u>	<u>\$ 1,139,112</u>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

CAPITAL PROJECT FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2020

	Bridge Repair Fund	Highway Equipment Replacement	<b>Total</b>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	340,999	138,822	479,821
Receivables	988	-	988
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 341,987</b>	<b>\$ 138,822</b>	<b>\$ 480,809</b>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Restricted	341,987	-	341,987
Committed	-	138,822	138,822
Unassigned	-	-	-
<b>Total fund balances</b>	<b>341,987</b>	<b>138,822</b>	<b>480,809</b>
<b>Total liabilities and fund balances</b>	<b>\$ 341,987</b>	<b>\$ 138,822</b>	<b>\$ 480,809</b>

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

CAPITAL PROJECT FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Bridge Repair Fund	Highway Equipment Replacement	<b>Total</b>
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Investment earnings	4,673	1,902	6,575
Local	-	140,153	140,153
<b>Total revenues</b>	4,673	142,055	146,728
<b>Expenditures:</b>			
Capital outlay	-	151,755	151,755
<b>Total expenditures</b>	-	151,755	151,755
<b>Excess of revenues over (under) expenditures</b>	4,673	(9,700)	(5,027)
<b>Other financing sources (uses):</b>			
Transfers in (out)	10,000	75,313	85,313
Total other financing	10,000	75,313	85,313
<b>Net change in fund balances</b>	14,673	65,613	80,286
<b>Fund balances, beginning of year</b>	327,314	73,209	400,523
<b>Fund balances, end of year</b>	\$ 341,987	\$ 138,822	\$ 480,809

See accompanying Independent Auditors' Report.

TOWN OF SALISBURY, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2020

	<u>Student Activity Fund</u>
<b><u>Assets</u></b>	
Beginning balance - cash	\$ 29,153
Additions	71,194
Deductions	<u>56,255</u>
<b>Ending balance - cash</b>	<b><u>44,092</u></b>
<b>Total assets</b>	<b><u>\$ 44,092</u></b>
<b><u>Liabilities</u></b>	
Beginning balance - due to student groups	\$ 29,153
Additions	71,194
Deductions	<u>56,255</u>
<b>Ending balance - due to student groups</b>	<b><u>44,092</u></b>
<b>Total liabilities</b>	<b><u>\$ 44,092</u></b>

See accompanying Independent Auditors' Report

**TOWN OF SALISBURY, CONNECTICUT**  
**STATEMENT OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES SECTION 7.374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Total tax collections including interest and lien fees for the year ended June 30, 2019	\$ 14,314,150				
Reimbursement for revenue loss on: Tax relief for elderly (CGS 12-129d)	<u>-</u>				
Base	<u>\$ 14,314,150</u>				
	<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban</u>	<u>Pension</u>
	<u>Purpose</u>			<u>Renewal</u>	<u>Deficit</u>
<b>Debt Limitation:</b>					
2 1/4 times base	\$ 32,206,838	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	64,413,675	-	-	-
3 3/4 times base	-	-	53,678,063	-	-
3 1/4 times base	-	-	-	46,520,988	-
3 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,942,450</u>
<b>Total debt limitation</b>	<u>32,206,838</u>	<u>64,413,675</u>	<u>53,678,063</u>	<u>46,520,988</u>	<u>42,942,450</u>
<b>Indebtedness:</b>					
Bond anticipation notes	4,018,154	2,250,000	3,000,000	-	-
General obligation bonds	1,620,000	-	-	-	-
Notes payable	588,086	-	-	-	-
Town share of Region One bonds	<u>-</u>	<u>1,145,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total indebtedness</b>	<u>6,226,240</u>	<u>3,395,542</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<u>\$ 25,980,598</u>	<u>\$ 61,018,133</u>	<u>\$ 50,678,063</u>	<u>\$ 46,520,988</u>	<u>\$ 42,942,450</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

See accompanying Independent Auditors' Report.



TOWN OF SALISBURY, CONNECTICUT

REPORT OF THE TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2020

Grand List October 1,	Taxes Receivable July 1, 2019	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes Receivable June 30, 2020
		Additions	Deductions			Taxes	Interest and Liens	Total	
2018	\$ 14,745,143	\$ 17,210	\$ 8,956	\$ -	\$ 14,753,397	\$ 14,497,706	\$ 38,516	\$ 14,536,222	\$ 255,691
2017	135,809	56	189	-	135,676	72,857	13,983	86,840	62,819
2016	36,278	-	-	-	36,278	11,643	4,552	16,195	24,635
2015	23,359	-	-	-	23,359	3,818	1,783	5,601	19,541
2014	13,307	-	-	-	13,307	1,405	561	1,966	11,902
2013	8,909	-	-	-	8,909	84	2,823	2,907	8,825
2012	6,055	-	3	-	6,052	2,914	1,890	4,804	3,138
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-
	<u>\$ 14,968,860</u>	<u>\$ 17,266</u>	<u>\$ 9,148</u>	<u>\$ -</u>	<u>\$ 14,976,978</u>	<u>\$ 14,590,427</u>	<u>\$ 64,108</u>	<u>\$ 14,654,535</u>	<u>\$ 386,551</u>

See accompanying Independent Auditors' Report.