

TOWN OF SALISBURY  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2024



SINNAMON & ASSOCIATES, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF SALISBURY  
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JUNE 30, 2024

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Independent Auditors' Report

To the Board of Finance of the  
Town of Salisbury, Connecticut  
Salisbury, CT

**Opinions**

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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Salisbury, Connecticut's basic financial statements as listed in the table of contents.

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 of Salisbury, Connecticut, as of June 30, 2024, 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.

**Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Salisbury, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Salisbury, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government*



*Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Salisbury, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Salisbury, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the pension and OPEB schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Salisbury, Connecticut's basic financial statements. The general fund budgetary comparison detail schedules and the 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. Such information is the responsibility of management and was derived from and relates directly

to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 Governmental Auditing Standards, we have also issued our report dated December 23, 2024 on our consideration of the Town of Salisbury, Connecticut'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 of Salisbury, Connecticut'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 of Salisbury, Connecticut's internal control over financial reporting and compliance.



Sinnamon & Associates, LLC  
Certified Public Accountants

December 23, 2024  
Canaan Connecticut

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

The Management Discussion and Analysis (MD&A) offers the readers of the Town of Salisbury (the Town) financial statements a narrative overview and analysis of the financial activities of the Town for the fiscal year ending June 30, 2024. The information presented here should be considered in conjunction with the Town's basic financial statements that follow this section. Wherever possible, reference to the financial statements is provided.

**FINANCIAL HIGHLIGHTS**

On a government-wide basis the Town's assets of \$52,175,988 exceeded its liabilities at June 30, 2024, resulting in a total net position of \$43,956,353. Total net position for Governmental Activities was \$43,468,498 and total net position for Business-Type Activities was \$487,855.

The Town's governmental funds, reported on a current financial resource's basis, combined ending fund balance is \$18,087,529, an increase of \$2,717,029 for the year. The General Fund operating increase for the year was \$1,006,231 vs. an adjusted budgeted decrease of \$707,070. The General Fund balance was \$7,449,929, of which \$3,254,456 was restricted, assigned, and committed.

At the end of the current fiscal year unassigned fund balance for the general fund was \$4,195,473 or 21.4% of the subsequent year's General Fund expenditures and transfers.

**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 contains other supplementary information and statistical tables.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (government 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 government activities of the Town include general government, public safety, public works, and recreation.

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

The government-wide financial statements can be found on pages 12 -13 of this report.

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for 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 can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, that is the Town's most basic services. Unlike the government-wide financial statements, however, 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 the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of government's near-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital reserve fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general funds. 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 14 - 18 of this report.

**Proprietary Funds**

The proprietary fund is the Sewer and Water Commission

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic Proprietary fund statements can be found on pages 19 - 21 of this report.



TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

**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 basic fiduciary fund statements can be found on pages 22-23 of this report.

**Notes to the Financial Statements.**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and financial fund statements. The notes to the financial statements can be found on pages 24 - 53 of this report.

**Other Information.**

The required supplementary information for the Town's pension plan and the Town's proportionate share of the Connecticut State Teachers Retirement Pension and OPEB liability can be found on pages 54 - 55 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following notes to the financial statements. Combining and individual fund statements and other schedules can be found on pages 60 – 63 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$43,911,918 at the close of the most recent fiscal year.

By far the largest portion of the Town's assets is its investment in capital assets (e.g., land, buildings, 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.

The Town's net position increased by \$4,248,076 during the current fiscal year.

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

**NET POSITION - June 30, 2024 and June 30, 2023**

	6/30/2024 Net Position			6/30/2023 Net Position		
	Governmental Activities	Business -Type Activities	Total	Governmental Activities	Business -Type Activities	Total
<b><u>Assets</u></b>						
Current and Other Assets	\$ 18,126,458	\$ 154,230	\$ 18,280,688	\$ 17,193,832	\$ 190,814	\$ 17,384,646
Capital Assets	30,400,650	2,954,479	33,355,129	29,242,290	3,045,313	32,287,603
Non Current Assets	540,171	-	540,171	567,621	-	567,621
<b><u>Total Assets</u></b>	<b><u>49,067,279</u></b>	<b><u>3,108,709</u></b>	<b><u>52,175,988</u></b>	<b><u>47,003,743</u></b>	<b><u>3,236,127</u></b>	<b><u>50,239,870</u></b>
<b><u>Liabilities</u></b>						
Current Liabilities	1,566,891	101,153	1,668,044	2,250,966	101,732	2,352,698
Non Current Liabilities	5,212,613	2,519,701	7,732,314	5,672,460	2,620,234	8,292,694
<b><u>Total Liabilities</u></b>	<b><u>6,779,504</u></b>	<b><u>2,620,854</u></b>	<b><u>9,400,358</u></b>	<b><u>7,923,426</u></b>	<b><u>2,721,966</u></b>	<b><u>10,645,392</u></b>
<b><u>Net Position</u></b>						
Net Investment in Capital Assets	25,004,358	334,245	25,338,603	23,109,983	324,546	23,434,529
Restricted Net Position	4,727,630	-	4,727,630	3,977,507	-	3,977,507
Unrestricted	13,736,510	153,610	13,890,120	12,106,626	189,615	12,296,241
<b><u>Total Net Position</u></b>	<b><u>\$ 43,468,498</u></b>	<b><u>\$ 487,855</u></b>	<b><u>\$ 43,956,353</u></b>	<b><u>\$ 39,194,116</u></b>	<b><u>\$ 514,161</u></b>	<b><u>\$ 39,708,277</u></b>

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

**CHANGES IN NET POSITION - June 30, 2024 and June 30, 2023 Governmental Activities**

	June 30, 2024			June 30, 2023		
	Changes in Net Position			Changes in Net Position		
	Governmental Activities	Business -Type Activities	Total	Governmental Activities	Business -Type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 3,006,739	\$ 582,970	\$ 3,589,709	\$ 2,197,231	\$ 503,649	\$ 2,700,880
Operating grants and contributions	2,184,514	-	2,184,514	1,982,517	-	1,982,517
Capital grants and contributions	2,102,161	-	2,102,161	121,940	-	121,940
<b>General Revenues:</b>						
Property Taxes	16,591,181	-	16,591,181	16,340,723	-	16,340,723
Grants & contributions, unrestricted	55,434	-	55,434	83,525	-	83,525
Investment Income	1,356,155	21,314	1,377,469	999,062	15,367	1,014,429
Other Revenues	193,150	-	193,150	162,570	-	162,570
<b>Total Revenues</b>	<b>25,489,334</b>	<b>604,284</b>	<b>26,093,618</b>	<b>21,887,568</b>	<b>519,016</b>	<b>22,406,584</b>
<b>Expenses</b>						
General Government	\$ 3,321,191	\$ -	3,321,191	\$ 3,433,256	\$ -	3,433,256
Public Safety	551,087	-	551,087	504,909	-	504,909
Public Works	3,335,863	-	3,335,863	2,757,588	-	2,757,588
Sanitation/Waste Removal	684,081	630,590	1,314,671	307,173	690,842	998,015
Health and Welfare	378,826	-	378,826	383,320	-	383,320
Interest on Long Term Debt	90,347	-	90,347	100,350	-	100,350
Recreation	892,705	-	892,705	817,014	-	817,014
Miscellaneous	102,212	-	102,212	913,057	-	913,057
Education	11,858,640	-	11,858,640	11,102,578	-	11,102,578
<b>Total Expenses</b>	<b>21,214,952</b>	<b>630,590</b>	<b>21,845,542</b>	<b>20,319,245</b>	<b>690,842</b>	<b>21,010,087</b>
<b>Change in Net Position</b>	<b>4,274,382</b>	<b>(26,306)</b>	<b>4,248,076</b>	<b>1,568,323</b>	<b>(171,826)</b>	<b>1,396,497</b>
<b>Net Position, beginning</b>	<b>39,194,116</b>	<b>514,161</b>	<b>39,708,277</b>	<b>37,625,793</b>	<b>685,987</b>	<b>38,311,780</b>
<b>Net Position, ending</b>	<b>\$ 43,468,498</b>	<b>\$ 487,855</b>	<b>\$ 43,956,353</b>	<b>\$ 39,194,116</b>	<b>\$ 514,161</b>	<b>\$ 39,708,277</b>

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

Approximately 65% of the governmental activities' revenue was derived from property taxes, followed by 17% from operating and capital grants, 12% from service charges, and 6% from investment earnings and miscellaneous. Detailed revenue information can be found on page 56.

For the most part, increases in expenses closely paralleled inflation and growth in demand for services. Approximately 56% of the Town's governmental activities expenses relate to education, 16% relate to public works, 16% for general government and 12% for all other activities.

### **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, unreserved fund balance may serve as a useful measure of a government's net resources for spending at the end of a 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 \$7,449,929. Of this total fund balance, \$3,254,456 was restricted, assigned, and committed. The remaining balance of \$4,195,473 is unassigned.

#### **Proprietary Funds**

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

Unrestricted net position of the Sewer Enterprise Fund at the end of the year amounted to \$153,610.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The fund balance of the Town's General Fund increased by \$1,006,231 during the current fiscal year, compared to an expected decrease of \$707,070. This was attributed to revenues received on excess of budget totaling \$1,008,126 including taxes, building and conveyance fees and intergovernmental grants, and expenses under budget totaling \$650,175.

A statement of revenues and expenditures, budget and actual, can be found on page 18 of this report.

### **CAPITAL ASSET 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, 2024 amounted to \$30,400,650 and \$2,954,479, respectively. This investment in capital assets included land, Infrastructure, buildings and system improvements, machinery and equipment and vehicles.

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

**CAPITAL ASSETS, Net of Depreciation June 30, 2024 and June 30, 2023**

	June 30, 2024		
	Governmental Activities	Business-Type Activities	Total
Land and Construction in Process	\$ 2,992,466	\$ -	\$ 2,992,466
Building and Improvements	15,578,440	2,858,268	18,436,708
Machinery and Equipment	991,499	96,211	1,087,710
Infrastructure	9,489,393	-	9,489,393
Vehicles	1,348,852	-	1,348,852
<b>Total</b>	<b>\$ 30,400,650</b>	<b>\$ 2,954,479</b>	<b>\$ 33,355,129</b>

	June 30, 2023		
	Governmental Activities	Business-Type Activities	Total
Land and Construction in Process	\$ 3,801,639	\$ -	\$ 3,801,639
Building and Improvements	16,114,345	2,861,081	18,975,426
Machinery and Equipment	634,148	184,232	818,380
Infrastructure	7,178,219	-	7,178,219
Vehicles	1,513,939	-	1,513,939
<b>Total</b>	<b>\$ 29,242,290</b>	<b>\$ 3,045,313</b>	<b>\$ 32,287,603</b>

**Long-Term Debt**

At the end of the current fiscal year, the Town had total outstanding bonds and notes payable of \$5,672,460 related to governmental activities and \$2,620,234 related to business-type activities. All of the debt is backed by the full faith and credit of the Town.

The Town's total bonds and notes payable had a net decrease of \$560,380.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year tax collections. The current statutory debt limitation for the Town is \$114,425,913 which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 11 on pages 38 – 40 of this report.

TOWN OF SALISBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024

**ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS AND RATES**

The Town was awarded a \$1,065,422.00 grant under the American Rescue Plan Act. These funds had a remaining balance of 75,892 as of June 30, 2024.

The Town received a \$458,122 Community Connectivity Grant to build a sidewalk from Lincoln City Road to the Fire House. This project was completed during the current fiscal year.

The 68-acre Pope property, located on Salmon Kill Road is in the concept and design phase to be used for recreation, housing and conservation.

The Town authorized the use of \$1,279,855 of fund balance from the General Fund for the 2024-2025 fiscal year. The mill rate for the 2024-2025 fiscal year remained at 11.0 mills.

All of the above factors were considered in preparing the Town's budget for the 2024-2025 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 financial information should be addressed to the First Selectman's office, Town of Salisbury, PO Box 548, 27 Main Street, Salisbury, Connecticut 06068.

TOWN OF SALISBURY  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<u>Assets</u>			
Cash and cash equivalents	\$ 9,068,514	\$ 125,948	\$ 9,194,462
Investments	8,409,740	-	8,409,740
Receivables:			
Property Taxes	455,771	-	455,771
Accounts Receivable	192,433	28,282	220,715
Long-term receivables	540,171		540,171
Due From Other Governments	1,180,723	-	1,180,723
Capital Assets, not being depreciated	2,992,466	-	2,992,466
Capital Assets, net of accumulated depreciation	27,408,184	2,954,479	30,362,663
<u>Total Assets</u>	<u>\$ 50,248,002</u>	<u>\$ 3,108,709</u>	<u>\$ 53,356,711</u>
<u>Liabilities</u>			
Accounts payable	\$ 698,579	\$ 620	\$ 699,199
Unearned revenue	132,297	-	132,297
Accrued compensated absences, due within one year	276,168	-	276,168
Noncurrent Liabilities:			
Due within one year	459,847	100,533	560,380
Due in more than one year	5,212,613	2,519,701	7,732,314
<u>Total Liabilities</u>	<u>6,779,504</u>	<u>2,620,854</u>	<u>9,400,358</u>
<u>Net Position</u>			
Net Investment in Capital Assets	25,004,358	334,245	25,338,603
Restricted Net Position	4,727,630	-	4,727,630
Unrestricted	13,736,510	153,610	13,890,120
<u>Total Net Position</u>	<u>\$ 43,468,498</u>	<u>\$ 487,855</u>	<u>\$ 43,956,353</u>

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental Activities</u>							
General Government	\$ (3,321,191)	\$ 1,536,803	\$ 301,214	\$ -	\$ (1,483,174)	\$ -	\$ (1,483,174)
Public Safety	(551,087)	47,424	-	-	(503,663)	-	(503,663)
Public Works	(3,335,863)	-	300,329	-	(3,035,534)	-	(3,035,534)
Sanitation/Waste Removal	(684,081)	1,260,815	306,800	-	883,534	-	883,534
Health and Welfare	(378,826)	86,819	3,000	-	(289,007)	-	(289,007)
Interest on Long Term Debt	(90,347)	-	-	-	(90,347)	-	(90,347)
Recreation	(892,705)	58,700	-	-	(834,005)	-	(834,005)
Miscellaneous	(102,212)	-	-	2,102,161	1,999,949	-	1,999,949
Education	(11,858,640)	16,178	1,273,171	-	(10,569,291)	-	(10,569,291)
<u>Total Governmental Activities</u>	<u>(21,214,952)</u>	<u>3,006,739</u>	<u>2,184,514</u>	<u>2,102,161</u>	<u>(13,921,538)</u>	<u>-</u>	<u>(13,921,538)</u>
<u>Business Type Activities</u>							
Sewer and Water Commission	(630,590)	582,970	-	-	-	(47,620)	(47,620)
<u>Total Primary Government</u>	<u>\$ (21,845,542)</u>	<u>\$ 3,589,709</u>	<u>\$ 2,184,514</u>	<u>\$ 2,102,161</u>	<u>(13,921,538)</u>	<u>(47,620)</u>	<u>(13,969,158)</u>
<u>General Revenues:</u>							
Property taxes, interest and lien fees					16,591,181	-	16,591,181
Grants and contributions not restricted to specific programs					55,434	-	55,434
Unrestricted investment earnings (loss)					1,356,155	21,314	1,377,469
Other					193,150	-	193,150
<u>Total General Revenues</u>					<u>18,195,920</u>	<u>21,314</u>	<u>18,217,234</u>
<u>Change in net position</u>					4,274,382	(26,306)	4,248,076
<u>Net position beginning of year</u>					39,194,116	514,161	39,708,277
<u>Net position end of year</u>					<u>\$ 43,468,498</u>	<u>\$ 487,855</u>	<u>\$ 43,956,353</u>

The accompanying notes are an integral part of these financial statements



TOWN OF SALISBURY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Transfer Station Capital Fund	Other Capital Projects Fund	ARPA Fund	Bauer Fund	Bissell Fund	Small Cities Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Assets</u>									
Cash and cash equivalents	\$ 4,433,734	\$ 86,750	\$ 1,710,657	\$ 75,892	\$ 140,313	\$ 115,029	\$ -	\$ 2,506,139	\$ 9,068,514
Investments	1,690,053	-	122,742	-	2,397,578	3,364,331	-	835,036	8,409,740
<u>Receivables:</u>									
Property Taxes	455,771	-	-	-	-	-	-	-	455,771
Accounts Receivable	130,934	-	9,078	-	-	-	-	52,421	192,433
Long-term receivables	-	-	-	-	-	-	540,171	-	540,171
Due From Other Governments	-	-	-	-	-	-	-	1,180,723	1,180,723
Due From Other Funds	1,812,213	-	-	-	-	-	-	51,883	1,864,096
<u>Total Assets</u>	<u>8,522,705</u>	<u>86,750</u>	<u>1,842,477</u>	<u>75,892</u>	<u>2,537,891</u>	<u>3,479,360</u>	<u>540,171</u>	<u>4,626,202</u>	<u>21,711,448</u>
<u>Deferred Outflows of Resources</u>									
	-	-	-	-	-	-	-	-	-
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$ 8,522,705</u>	<u>\$ 86,750</u>	<u>\$ 1,842,477</u>	<u>\$ 75,892</u>	<u>\$ 2,537,891</u>	<u>\$ 3,479,360</u>	<u>\$ 540,171</u>	<u>\$ 4,626,202</u>	<u>\$ 21,711,448</u>
<u>Liabilities and Fund Balances</u>									
<u>Liabilities</u>									
Accounts payable	\$ 632,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,462	\$ 698,579
Unearned revenue	-	-	-	75,892	-	-	-	56,405	132,297
Due to Other Funds	51,883	74,363	-	-	-	-	-	1,737,850	1,864,096
<u>Total Liabilities</u>	<u>684,000</u>	<u>74,363</u>	<u>-</u>	<u>75,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,860,717</u>	<u>2,694,972</u>
<u>Deferred Inflows Of Resources</u>									
Unavailable Revenue - property taxes	388,776	-	-	-	-	-	-	-	388,776
Unavailable Revenue - long-term receivables	-	-	-	-	-	-	540,171	-	540,171
<u>Total Deferred Inflows Of Resources</u>	<u>388,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,171</u>	<u>-</u>	<u>928,947</u>
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	1,758,039	2,171,528	-	798,063	4,727,630
Restricted	59,331	12,387	1,842,477	-	779,852	1,307,832	-	1,479,494	5,481,373
Committed	1,164,231	-	-	-	-	-	-	546,076	1,710,307
Assigned	2,030,894	-	-	-	-	-	-	(58,148)	1,972,746
Unassigned	4,195,473	-	-	-	-	-	-	-	4,195,473
<u>Total Fund Balances</u>	<u>7,449,929</u>	<u>12,387</u>	<u>1,842,477</u>	<u>-</u>	<u>2,537,891</u>	<u>3,479,360</u>	<u>-</u>	<u>2,765,485</u>	<u>18,087,529</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 8,522,705</u>	<u>\$ 86,750</u>	<u>\$ 1,842,477</u>	<u>\$ 75,892</u>	<u>\$ 2,537,891</u>	<u>\$ 3,479,360</u>	<u>\$ 540,171</u>	<u>\$ 4,626,202</u>	<u>\$ 21,711,448</u>

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Total fund balances for governmental funds</u>	\$ 18,087,529
Total net position reported for governmental activities in the statement of net assets is different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	30,400,650
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Long-term receivables	540,171
Property tax and receivables greater than 60 days	388,776
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued Compensated Absences, due within one year	(276,168)
General Obligation Bonds & Notes Payable	<u>(5,672,460)</u>
 <u>Net position of governmental activities</u>	 <u><u>\$ 43,468,498</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Transfer Station Capital Fund	Other Capital Projects Fund	ARPA Fund	Bauer Fund	Bissell Fund	Small Cities Fund	Non Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>									
Property Taxes	\$ 16,616,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,616,643
Intergovernmental	1,353,342	50,000	458,122	301,214	-	-	-	2,051,568	4,214,246
Investment Income	259,185	3,028	66,274	-	291,416	456,989	-	279,263	1,356,155
Donations	165,700	-	-	-	-	-	-	-	165,700
Local Revenue	1,595,503	-	2,940	-	-	-	27,450	1,441,236	3,067,129
<b>Total Revenues</b>	<b>19,990,373</b>	<b>53,028</b>	<b>527,336</b>	<b>301,214</b>	<b>291,416</b>	<b>456,989</b>	<b>27,450</b>	<b>3,772,067</b>	<b>25,419,873</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General Government	2,547,012	-	-	-	-	-	-	204,851	2,751,863
Public Safety	413,932	-	-	-	-	-	-	-	413,932
Public Works	1,651,967	-	-	-	-	-	-	1,372,341	3,024,308
Sanitation/Waste Removal	415,520	-	-	-	-	-	-	109,101	524,621
Health and Welfare	331,566	-	-	-	-	47,260	-	-	378,826
Debt Service	-	-	484,958	-	-	-	-	65,236	550,194
Recreation	857,175	-	-	-	-	-	-	-	857,175
Miscellaneous	81,291	-	-	301,214	65,983	23,919	-	14,631	487,038
Education	11,138,547	-	-	-	-	-	-	264,618	11,403,165
Capital Outlay	-	6,188	769,569	-	-	-	-	1,535,965	2,311,722
<b>Total Expenditures</b>	<b>17,437,010</b>	<b>6,188</b>	<b>1,254,527</b>	<b>301,214</b>	<b>65,983</b>	<b>71,179</b>	<b>-</b>	<b>3,566,743</b>	<b>22,702,844</b>
Excess (deficiency) of Revenues Over Expenditures	2,553,363	46,840	(727,191)	-	225,433	385,810	27,450	205,324	2,717,029
<b>Other Financing Sources (Uses):</b>									
Transfers In	-	53,565	889,917	-	-	-	-	631,100	1,574,582
Transfers Out	(1,547,132)	-	-	-	-	-	(27,450)	-	(1,574,582)
<b>Total Other Financing sources (Uses):</b>	<b>(1,547,132)</b>	<b>53,565</b>	<b>889,917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,450)</b>	<b>631,100</b>	<b>-</b>
Net Change in Fund Balances	1,006,231	100,405	162,726	-	225,433	385,810	-	836,424	2,717,029
Fund Balances Beginning of Year	6,443,698	(88,018)	1,679,751	-	2,312,458	3,093,550	-	1,929,061	15,370,500
<b>Fund Balances End of Year</b>	<b>\$ 7,449,929</b>	<b>\$ 12,387</b>	<b>\$ 1,842,477</b>	<b>\$ -</b>	<b>\$ 2,537,891</b>	<b>\$ 3,479,360</b>	<b>\$ -</b>	<b>\$ 2,765,485</b>	<b>\$ 18,087,529</b>

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
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, 2024

Net change in fund balances for governmental funds \$ 2,717,029

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

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

Capital Outlay	2,731,940	
Depreciation expense	(1,573,580)	
Net adjustment	1,158,360	1,158,360

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

Proceeds from notes payable	-	
Principal repayments of debt	459,847	
Net adjustment	459,847	459,847

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:

Tax revenue interest and liens	(25,462)
Accrued compensated absences	(62,842)

Change in net position of governmental activities \$ 4,274,382

TOWN OF SALISBURY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$16,497,771	\$16,497,771	\$16,616,643	\$ 118,872
Intergovernmental	345,875	345,875	397,663	51,788
Investment Income	25,000	25,000	259,185	234,185
Donations	182,000	182,000	165,700	(16,300)
Local Revenue	976,500	976,500	1,595,503	619,003
<u>Total Revenues</u>	<u>18,027,146</u>	<u>18,027,146</u>	<u>19,034,694</u>	<u>1,007,548</u>
<u>Expenditures:</u>				
General Government	2,858,549	2,893,055	2,547,012	346,043
Public Safety	836,267	845,511	800,032	45,479
Public Works	1,773,193	1,704,308	1,701,967	2,341
Sanitation/Waste Removal	416,850	419,085	419,085	-
Health and Welfare	397,875	397,875	388,566	9,309
Debt Service	600,000	600,000	600,000	-
Recreation	867,896	887,211	857,175	30,036
Miscellaneous	97,200	100,785	81,291	19,494
Education	10,516,386	10,516,386	10,275,335	241,051
Capital Outlay	370,000	370,000	358,000	12,000
<u>Total Expenditures</u>	<u>18,734,216</u>	<u>18,734,216</u>	<u>18,028,463</u>	<u>705,753</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(707,070)</u>	<u>(707,070)</u>	<u>1,006,231</u>	<u>1,713,301</u>
<u>Net Change In Fund Balance</u>	<u>\$ (707,070)</u>	<u>\$ (707,070)</u>	<u>1,006,231</u>	<u>\$ 1,713,301</u>
<u>Fund Balance - Beginning of Year</u>			<u>6,443,698</u>	
<u>Fund Balance - End of Year</u>			<u>\$ 7,449,929</u>	

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024

	Business Type Activities Enterprise Fund Sewer and Water Commission
<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$ 125,948
Sewer usage fees receivable	28,282
Total current assets	154,230
Noncurrent assets	
Capital Assets, Net of Accumulated Depreciation	2,954,479
<u>Total Assets</u>	\$ 3,108,709
 <u>Liabilities</u>	
Accounts payable	\$ 620
Noncurrent Liabilities Bonds Payable:	
Due within one year	100,533
Due in more than one year	2,519,701
<u>Total Liabilities</u>	2,620,854
 <u>Net Position</u>	
Net Investment in Capital Assets	334,245
Unrestricted	153,610
<u>Total Net Position</u>	487,855
 <u>Total Liabilities and Net Position</u>	 \$ 3,108,709

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Business Type Activities Enterprise Fund
	Sewer and Water Commission
<u>Operating Revenue</u>	
Sewer usage fees	\$ 582,970
<u>Total Operating Revenues</u>	582,970
<u>Operating Expenses</u>	
Wages and benefits	298,633
Utilities	45,622
Operating expenses	138,926
Administrative expenses	21,307
Depreciation	90,834
<u>Total Expenditures</u>	595,322
<u>Operating Income (Loss)</u>	(12,352)
<u>Non-Operating Revenues (Expenses)</u>	
Interest Revenue	21,314
Interest Expense	(35,268)
<u>Total Non-Operating Revenues (Expenses)</u>	(13,954)
<u>Change In Net Position</u>	(26,306)
<u>Net Position, Beginning</u>	514,161
<u>Net Position, Ending</u>	\$ 487,855

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Business Type Activities Enterprise Fund Sewer and Water Commission
<u>Cash Flows from Operating Activities</u>	
Cash received from the following	
Cash received from customers	\$ 586,625
Cash paid for the following	
Wages and benefits	(298,633)
Utilities	(45,622)
Operating expenses	(139,505)
Administrative expenses	(21,307)
<u>Net Cash Used in Operating Activities</u>	<u>81,558</u>
 <u>Cash Flows from Capital and Related Financing Activities</u>	
Repayment of bonds and notes payable	(100,533)
Interest Paid	(35,268)
<u>Net Cash Used in Capital and Related Financing Activities</u>	<u>(135,801)</u>
 <u>Cash Flows From Investing Activities</u>	
Receipts of interest	21,314
<u>Net Cash Provided by Investing Activities</u>	<u>21,314</u>
 <u>Net Increase (Decrease) in Cash</u>	 (32,929)
 <u>Cash, Beginning of Year</u>	 <u>158,877</u>
 <u>Cash, End of Year</u>	 <u>\$ 125,948</u>
 <u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ (12,352)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities	
Depreciation Expense	90,834
Changes in assets and liabilities	
Sewer usage fees receivable	3,655
Accounts payable	(579)
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 81,558</u>

The accompanying notes are an integral part of these financial statements



TOWN OF SALISBURY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Custodial Funds</u>	<u>Total</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 21,063	\$ 21,063
Investments	-	-
<u>Total Assets</u>	<u>\$ 21,063</u>	<u>\$ 21,063</u>
 <u>Liabilities</u>		
Accounts payable	\$ -	\$ -
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>
 <u>Net Position</u>		
Restricted for Individuals and Organizations	<u>21,063</u>	<u>21,063</u>
<u>Total Net Position</u>	<u>21,063</u>	<u>21,063</u>
<u>Total Liabilities and Net Position</u>	<u>\$ 21,063</u>	<u>\$ 21,063</u>

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Custodial Funds</u>	<u>Total</u>
<u>Additions</u>		
Employer Contributions	\$ -	\$ -
Events and Activities	113,863	113,863
<u>Total Contributions</u>	<u>113,863</u>	<u>113,863</u>
<u>Investment Income</u>		
Investment Net Earnings	-	-
<u>Total Investment Income</u>	<u>-</u>	<u>-</u>
<u>Total Additions</u>	<u>113,863</u>	<u>113,863</u>
<u>Deductions</u>		
Events and Activities	123,660	123,660
<u>Total Deductions</u>	<u>123,660</u>	<u>123,660</u>
<u>Change in Net Position</u>	<u>(9,797)</u>	<u>(9,797)</u>
<u>Net Position Beginning</u>	<u>30,860</u>	<u>30,860</u>
<u>Net Position Ending</u>	<u>\$ 21,063</u>	<u>\$ 21,063</u>

The accompanying notes are an integral part of these financial statements

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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

**Reporting Entity**

The Town of Salisbury, Connecticut (the Town) was incorporated October 1741 under the provisions of the Connecticut General Statutes. The Town is a municipal corporation governed by a Board of Selectmen, Town Meeting, Board of Finance form of government and provides a full range of services including public safety, public works, health and welfare, parks and recreation, elementary and secondary education and general administrative services to its residents. Under this form of Government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes, and borrow money. The executive branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another Body. An elected Board of Education oversees the public-school system.

The Board of Finance is responsible for financial, and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by Connecticut General Statutes.

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 following related organizations, to which the Town appropriates funds annually, do not meet the above criteria and are not included in the reporting entity:

*Regional School District #1* - This potential component unit has a separate elected board and provides educational services to residents of several local Towns which make up the region. It is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations or approve budgets.

**Government-Wide 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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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.

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

The statement of activities demonstrates the degree to which the direct expenses of a 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.

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:

**Fund Financial Statements**

Governmental Funds are those through which most governmental functions typically are financed. The governmental funds are as follows:

*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 earnings on investments.

*Capital Project Funds* - account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds for assets that will be held in trust for individuals, private organizations, or other governments.

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

*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 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 proprietary funds are as follows:

*Enterprise Fund* – is used to account for the operations for the Sewer and Water Commission, which oversees the water and sewer services.

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 statements. The fiduciary funds are as follows:

*Custodial Funds* are used to account for monies held as a custodian for outside groups and agencies.

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**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.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial 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.

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.

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary 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 nonoperating revenues and expenses.

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

The Town reports the following major governmental funds:

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*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.

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

*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.

*ARPA Fund* was established to account for intergovernmental grants received and expended under the American rescue plan act.

*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.

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

*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:

*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 and 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 Equivalents**

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

### **Investments**

Investments for the Town are reported at fair value generally based on quoted market prices.

### **Interfund Receivables, Payables, and 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). Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute

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reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**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, 2024, loans receivable totaled \$540,171 under this program.

**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, 2024, no allowance for uncollectible taxes and interest was considered necessary.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

**Compensated Absences**

Employees are paid under a prescribed formula for absences due to sickness or vacation. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities type 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. The Town had no financial statement elements meeting the criteria to be reported as deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.



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**Fund Equity and Net Position**

Equity in the government-wide financial statements is defined as “net position” and 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 Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

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

*Nonspendable Fund Balance* – includes amounts that are not in spendable form or amounts that must be maintained intact legally or contractually. The criteria include items that are not expected to be converted to cash such as inventories, prepaid amounts and long term receivables.

*Restricted Fund Balance* – includes amounts that are restricted for specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. Commitments may be changed or lifted only by the same group taking the same formal action that imposed the constraint originally.

*Assigned Fund Balance* – includes amounts intended to be used by the Town for specific purposes that do not meet the criteria to be classified as restricted or committed.

*Unassigned Fund Balance* – includes the general fund balance amount that is not classified as nonspendable, restricted, committed or assigned.

The Town’s policy is to apply expenditures against the applicable fund balances in the order of restricted, committed, assigned, and unassigned.

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets and Budgetary Accounting

A budget for the general fund is authorized annually by the Board of Finance. The procedures for establishing the budgetary data reflected in the general-purpose financial statements are as follows:

- A proposed operating budget is submitted for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage of ordinance.
- 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.
- 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.
- 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.

Departments seeking additional appropriations or appropriation transfers between budgetary line items must make a written request to the Board of Finance through the Board of Selectmen. An additional appropriation to a budgetary line item requires approval at a Town meeting if it exceeds \$20,000 or is a second request by the asking board or department. An additional appropriation of \$20,000 or higher is voted by the citizens of the Town.

Appropriations for capital projects do not lapse until completion of the applicable projects. All general fund unexpended appropriations lapse at year end. The Town does not have legally adopted annual budgets for its special revenue funds and grant financed capital project funds because budgetary control is alternatively achieved by constraints imposed by intergovernmental grant agreements, or Connecticut General Statutes.

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. 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:

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	Revenues	Expenditures
Total Budgetary Basis - Non GAAP	\$ 19,034,694	\$ 18,028,463
Teachers retirement System On Behalf Payments	942,849	942,849
Teachers retirement System OPEB	12,830	12,830
Interfund Transfers reported on Non-GAAP statements as revenues and expenditures	-	(1,547,132)
Total GAAP Basis	\$ 19,990,373	\$ 17,437,010

**NOTE 3 – CASH DEPOSITS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call reports, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. All of the Town’s deposits were in qualified public institutions as defined by state statute.

As of June 30, 2024, the carrying amount of the Town’s cash deposits were as follows:

	Carrying Amount	Bank Balance
Governmental Funds	\$ 10,587,724	\$ 10,994,979
Proprietary Funds	125,948	125,948
Fiduciary Funds	21,063	22,322
	10,734,735	11,143,249
Less Certificates of deposit classified as investments	(1,519,210)	(1,519,210)
Total Cash and Cash Equivalents	\$ 9,215,525	\$ 9,624,039

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$10,167,672 of the Town’s bank balance of \$11,143,249 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Uninsured and collateralized with securities held by the pledging Bank’s trust department or agent but not in the Town’s name		10,167,672
	\$	10,167,672

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 at those times were substantially higher than at year-end.

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**Concentrations of Credit Risk**

The Town does not have a policy that limits the amounts invested in any one issuer. At June 30, 2024, the Town had all of its cash deposits in financial institutions located in the State of Connecticut. The Town has not experienced any losses on such accounts.

**NOTE 4 – 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. Investments are stated at fair value using quoted market prices and consist of funds deposited in certificates of deposit, permanent funds and pension assets held by the pension administrator. As of June 30, 2024, the Town had the following investments:

	Fair Market Value	Maturity not Applicable	Less than 1 Year	1- 5 Years	5 - 10 Years
Governmental Funds					
Certificates of deposit	\$ 1,519,210	\$ -	\$ -	\$ 1,519,210	\$ -
US Treasury Bonds and Notes	520,717	-	-	520,717	-
Corporate Bonds and Notes	717,282	-	717,282	-	-
Corporate stock	4,795,953	4,795,953	-	-	-
Mutual Funds	856,578	856,578	-	-	-
	<u>\$ 8,409,740</u>	<u>\$ 5,652,531</u>	<u>\$ 717,282</u>	<u>\$ 2,039,927</u>	<u>\$ -</u>

**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.

**Concentrations of Credit Risk**

The Town does not have a policy that limits the amounts invested in any one issuer.

**Investment Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Town’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Town’s agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Town’s name. The Town does not have a policy for custodial credit risk.

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**Fair Value Measurements**

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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, 2024.

The Town has the following recurring fair value measurements as of June 30, 2024:

	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Publicly traded equity investments	\$ 6,890,530	\$ 6,890,530		
Certificates of deposit	1,519,210	1,519,210		
	<u>\$ 8,409,740</u>	<u>\$ 8,409,740</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2024 are as follows:

	General Funds	Other Funds	Proprietary Funds	Total
Property Taxes	\$ 321,716	\$ -	\$ -	\$ 321,716
Interest due on taxes	134,055	-	-	134,055
Accounts Receivable	130,934	61,499	28,282	220,715
Long-term Receivables	-	540,171	-	540,171
Total Receivables	<u>\$ 586,705</u>	<u>\$ 601,670</u>	<u>\$ 28,282</u>	<u>\$ 1,216,657</u>

TOWN OF SALISBURY  
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**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of June 30, 2024, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 1,812,213	\$ 51,883
Transfer Station Capital Fund	-	74,363
Bridge Repair Fund	-	1,585,959
Twin Lakes Fund	-	132,656
LOCIP	51,883	19,235
Total	<u>\$ 1,864,096</u>	<u>\$ 1,864,096</u>

A summary of interfund transfers is presented as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	1,547,132
Transfer Station Capital Fund	53,565	-
Other Capital Projects Fund	889,917	-
Small Cities Fund	-	27,450
Summer Work Program	15,000	-
Salisbury Fire Commission	386,100	-
Bridge Repair Fund	10,000	-
Equipment Replacement Fund	220,000	-
Total	<u>\$ 1,574,582</u>	<u>\$ 1,574,582</u>

**NOTE 7 -DEFICIT FUND BALANCES**

As of June 30, 2024, the Twin Lakes Fund reported a deficit fund balance of \$132,656 which will be satisfied through transfers from the General Fund and/or grants.

**NOTE 8 - POST EMPLOYMENT AND HEALTHCARE BENEFITS**

The Town does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the act, and no direct costs are incurred by the Town.

TOWN OF SALISBURY  
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**NOTE 9 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Governmental Activities</u></b>				
Capital Assets, not being depreciated				
Land	\$ 2,992,466	\$ -	\$ -	\$ 2,992,466
Construction in Process	809,173	-	809,173	-
Total Capital Assets, not being depreciated	<u>3,801,639</u>	<u>-</u>	<u>809,173</u>	<u>2,992,466</u>
Capital Assets, being depreciated				
Building and Improvements	27,548,840	186,381	-	27,735,221
Machinery and Equipment	3,973,076	510,715	-	4,483,791
Infrastructure	10,002,042	2,735,170	-	12,737,212
Vehicles	6,150,325	108,847	-	6,259,172
Total Capital Assets being depreciated	<u>47,674,283</u>	<u>3,541,113</u>	<u>-</u>	<u>51,215,396</u>
Less Accumulated Depreciation for:				
Building and Improvements	11,434,495	722,286	-	12,156,781
Machinery and Equipment	3,338,928	153,364	-	3,492,292
Infrastructure	2,823,823	423,996	-	3,247,819
Vehicles	4,636,386	273,934	-	4,910,320
Total Accumulated Depreciation	<u>\$ 22,233,632</u>	<u>1,573,580</u>	<u>-</u>	<u>23,807,212</u>
Total Capital Assets, being depreciated net	<u>25,440,651</u>	<u>1,967,533</u>	<u>-</u>	<u>27,408,184</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,242,290</u>	<u>\$ 1,967,533</u>	<u>\$ 809,173</u>	<u>\$ 30,400,650</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Business Type Activities</u></b>				
Capital Assets, being depreciated				
Building and Improvement	3,524,430	-	-	3,524,430
Machinery and Equipment	647,909	-	-	647,909
Vehicles	37,000	-	-	37,000
Total Capital Assets being depreciated	<u>4,209,339</u>	<u>-</u>	<u>-</u>	<u>4,209,339</u>
Less Accumulated Depreciation for:				
Building and Improvement	663,349	2,813	-	666,162
Machinery and Equipment	463,677	88,021	-	551,698
Vehicles	37,000	-	-	37,000
Total Accumulated Depreciation	<u>1,164,026</u>	<u>90,834</u>	<u>-</u>	<u>1,254,860</u>
Total Capital Assets, being depreciated net	<u>3,045,313</u>	<u>(90,834)</u>	<u>-</u>	<u>2,954,479</u>
Business Type Activities Capital Assets, Net	<u>\$ 3,045,313</u>	<u>\$ (90,834)</u>	<u>\$ -</u>	<u>\$ 2,954,479</u>

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

Governmental Activities	
General Government	\$ 569,328
Public Safety	137,155
Public Works	311,555
Sanitation/Waste Removal	159,460
Recreation	35,530
Education	360,552
Total Depreciation Expense - Governmental Activities	<u>\$ 1,573,580</u>
Business-Type Activities:	
Sewer and Water Commission	<u>\$ 90,834</u>

**NOTE 10 - RISK MANAGEMENT AND UNCERTAINTIES**

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks and any claims have not exceeded commercial coverage.



TOWN OF SALISBURY  
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**NOTE 11 - GENERAL LONG-TERM DEBT**

The following is a summary of changes in general obligation debt during the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<u>General Government</u>					
General obligation bonds	1,488,650	-	39,175	1,449,475	39,175
General obligation bonds	1,080,000	-	180,000	900,000	180,000
General obligation bonds	3,363,000	-	177,000	3,186,000	177,000
Note payable vehicle	32,730	-	22,872	9,858	22,872
Note payable equipment	123,080	-	32,880	90,200	32,880
Note payable vehicle	44,847	-	7,920	36,927	7,920
Total General Government	<u>6,132,307</u>	<u>-</u>	<u>459,847</u>	<u>5,672,460</u>	<u>459,847</u>
<u>Businesses Type Activities</u>					
Sewer Fund bond anticipation notes	-	-	-	-	-
Sewer Fund general obligation bond	2,458,267	-	63,033	2,395,234	63,033
Sewer Fund general obligation bond	262,500	-	37,500	225,000	37,500
Total Business Type Activates	<u>2,720,767</u>	<u>-</u>	<u>100,533</u>	<u>2,620,234</u>	<u>100,533</u>
Total Bonds and Notes Payable	8,853,074	-	560,380	8,292,694	560,380
Compensated Absences	213,326	62,842	-	276,168	276,168
Total Long-term Debt	<u>\$ 9,066,400</u>	<u>\$ 62,842</u>	<u>\$ 560,380</u>	<u>\$ 8,568,862</u>	<u>\$ 836,548</u>

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
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Bonds and Debt Payable at June 30, 2024 are comprised of the following obligations:

	Balance 6/30/2024
May 7, 2021, \$1,567,000 general obligation bonds. The bonds mature serially through May 7, 2061, and bear interest at an annual rate of 1.375%.	\$ 1,449,475
May 15, 2017, \$2,170,000 general obligation bonds. The bonds mature serially through May 15, 2029, and bear interest at an annual rate of 2.250%.	900,000
through July 10, 2041, and bear interest at an annual rate of 1.31% adjustable after 10 years.	3,186,000
Note payable at 2.765%, final payment due November 10, 2024, secured by vehicle.	9,858
Note payable at 1.50%, final payment due March 10, 2027, secured by equipment.	90,200
Note payable at 2.75%, final payment due July 1, 2025, secured by vehicle.	36,927
October 8, 2021 \$2,521,300 general obligation bonds, Enterprise Fund. The bonds mature serially through October 8, 2061, and bear interest at an annual rate of 1.250%.	2,395,234
November 12, 2021 \$300,000 general obligation bonds, Enterprise Fund. The bonds mature serially through July 10, 2029, and bear interest at an annual rate of 1.14%.	225,000
Total Bonds and Notes Payable	\$ 8,292,694

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

The following is a summary of debt service requirements to maturity by year:

Year Ending June 30	Principal	Interest	Total
2025	\$ 548,064	\$ 115,196	\$ 663,260
2026	538,936	106,276	645,212
2027	528,275	97,588	625,863
2028	505,543	89,008	594,551
2029	499,707	78,562	578,269
2030	316,708	72,436	389,144
2031	279,208	68,576	347,784
2032	279,208	65,291	344,499
2033	279,208	61,286	340,494
2034	279,208	57,640	336,848
2035	279,208	53,995	333,203
2036	279,208	50,349	329,557
2037	279,208	46,704	325,912
2038	279,208	43,059	322,267
2039	279,208	39,414	318,622
2040	279,208	35,769	314,977
2041	279,208	32,124	311,332
2042	279,208	28,482	307,690
2043	102,208	25,992	128,200
2044	102,208	24,665	126,873
2045	102,208	23,339	125,547
2046	102,208	22,013	124,221
2047	102,208	20,687	122,895
2048	102,208	19,360	121,568
2049	102,208	18,034	120,242
2050	102,208	16,707	118,915
2051	102,208	15,380	117,588
2052	102,208	14,054	116,262
2053	102,208	12,727	114,935
2054	102,208	11,400	113,608
2055	102,208	10,074	112,282
2056	102,208	8,747	110,955
2057	102,208	7,420	109,628
2058	102,208	6,095	108,303
2059	102,208	4,768	106,976
2060	102,208	3,441	105,649
2061	102,208	2,115	104,323
2062	63,013	788	63,801
	<u>\$ 8,292,694</u>	<u>\$ 1,409,561</u>	<u>\$ 9,702,255</u>

TOWN OF SALISBURY  
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**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, 2024.

**NOTE 12 – COMMITMENTS AND 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. The Town has received State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town has agreed to guarantee a loan at a local bank in the name of Salisbury Winter Sports Association, a local nonprofit organization in the amount of \$140,000.

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 13 – FUND BALANCES**

As of June 30, 2024, governmental fund balances are composed of the following:

	General Fund	Transfer Station Capital Fund	Other Capital Projects Fund	Bauer Fund	Bissell Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>							
Health and welfare	\$ -	\$ -	\$ -	\$ 1,758,039	\$ 2,171,528	\$ 798,063	\$ 4,727,630
	-	-	-	1,758,039	2,171,528	798,063	4,727,630
<u>Restricted</u>							
Capital projects	-	-	1,842,477	-	-	-	1,842,477
General governments	32,503	-	-	-	-	-	32,503
Public works	-	-	-	-	-	162,469	162,469
Public safety	-	-	-	-	-	740,834	740,834
Sanitation/waste removal	-	12,387	-	-	-	139,767	152,154
Health and welfare	-	-	-	779,852	1,307,832	436,424	2,524,108
Recreation	26,828	-	-	-	-	-	26,828
	59,331	12,387	1,842,477	779,852	1,307,832	1,479,494	5,481,373
<u>Committed</u>							
Capital projects	-	-	-	-	-	-	-
Public works	949,316	-	-	-	-	364,424	1,313,740
Public safety	59,033	-	-	-	-	-	59,033
Sanitation/waste removal	26,077	-	-	-	-	-	26,077
Health and welfare	129,805	-	-	-	-	48,996	178,801
	1,164,231	-	-	-	-	413,420	1,577,651
<u>Assigned</u>							
Subsequent year's budget	1,279,855	-	-	-	-	-	1,279,855
HS tuition	149,254	-	-	-	-	-	149,254
Unemployment	27,716	-	-	-	-	-	27,716
General governments	301,199	-	-	-	-	-	301,199
Public works	75,000	-	-	-	-	-	75,000
Health and welfare	32,315	-	-	-	-	-	32,315
Recreation	38,750	-	-	-	-	-	38,750
Education	126,805	-	-	-	-	74,508	201,313
	2,030,894	-	-	-	-	74,508	2,105,402
<u>Unassigned</u>							
	4,195,473	-	-	-	-	-	4,195,473
<u>Total governmental funds</u>	<u>\$ 7,449,929</u>	<u>\$ 12,387</u>	<u>\$ 1,842,477</u>	<u>\$ 2,537,891</u>	<u>\$ 3,479,360</u>	<u>\$ 2,765,485</u>	<u>\$ 18,087,529</u>

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 14- PENSION PLANS**

**DEFINED CONTRIBUTION PLAN**

Effective January 1, 2020, the Town amended its 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 January 1, 2020, 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 150% of the first \$2,000 of the employee contribution to the Town of Salisbury 457 Plan for Retirement Savings Contributions made on or after April 17, 2020.

For the fiscal year ended June 30, 2024, actual contributions by the Town were \$215,982. As of June 30, 2024, 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.

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

**Plan Description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit Provisions**

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

*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).

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
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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.

*Disability Retirement*

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

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

*Pre-Retirement Death Benefit*

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

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly.

*Employer (School Districts)*

School district employers are not required to make contributions to the Plan, as contributions are required only from employees and the State. The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2024, the Town recognized benefits expense and contribution revenue of \$942,849 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$972,907 for pension expense and revenue for on-behalf amounts for the benefits provided by the State.

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
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*Employees*

Effective July 1, 1992, each teacher was required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2024, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportional share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		10,161,519
 Total	 \$	 <u>10,161,519</u>

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. As of June 30, 2023, the Town has no proportionate share of the net pension liability.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, with a reporting date of June 30, 2023, using the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	6.90 Percent

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Assumption changes since the prior year are as follows:

There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.



TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
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Cost of Living Allowance

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

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut's Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	100.0%	

Discount Rate

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

TOWN OF SALISBURY  
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$0, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

**NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Connecticut State Teachers' Other Post-Employment Benefits (OPEB)

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools, plus professional employees at state schools of higher education, are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

Benefit Provisions

There are two types of health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer, and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who 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 \$220 per month for a retired member plus an additional \$220 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, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute.

A subsidy amount of \$440 per month may be paid for a retired member, spouse, or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, state employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

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.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Pro-ratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

TOWN OF SALISBURY  
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Termination of Employment

Ten or more years of Credited Service.

Contributions

*State of Connecticut*

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$12,830 and is recognized in the General Fund as intergovernmental revenues and education expenditures. In the government-wide financial statements, the Town recognized \$(112,151) for OPEB expense and revenue for on-behalf amounts for the benefits provided by the State.

OPEB Liabilities, OPEB Expense, and Deferred Inflows/Outflows of Resources Related to OPEB

As of June 30, 2024, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportional share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		951,995
Total	\$	951,995

The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. As of June 30, 2023, the Town has no proportionate share of the net OPEB liability.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% to 6.50%
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

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Municipal bond index rate:	
Measurement date	3.54%
Prior Measurement date	2.16%

The projected fiduciary net The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate	Single equivalent interest rate
Measurement date	3.53%, net of OPEB plan investment expense, including price inflation.
Prior Measurement date	2.17 %, net of OPEB plan investment expense, including price inflation.

Healthcare cost trends rates	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.

Healthcare cost trends rates Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Measurement date Long-Term Rate of Return

The long-term expected rate of return on Plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in the evaluation of the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

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

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

Asset Class	Target Allocation	Expected 10- Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.00%	0.77%	1.09%
Price Inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.25%	

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019. The changes in the assumptions since the prior year are as follows:

TOWN OF SALISBURY  
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- Discount rate changed from 2.17% to 3.53%.
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated.
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

#### Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund. Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index rate was used in the determination of the single equivalent rate.

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

OPEB Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

**NOTE 16 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**

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

- **GASB Statement No. 101, *Compensated Absences*.** The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.
- **GASB Statement No. 102, *Certain Risk Disclosures*.** The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.

TOWN OF SALISBURY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

- **GASB Statement No. 103, *Financial Reporting Model Improvements*.** The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2025.



TOWN OF SALISBURY  
Connecticut State Teachers Retirement System  
Required Supplementary Information  
Schedule of the Town's Proportionate Share of the Net Pension Liability

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the town	10,161,519	10,622,138	8,608,573	7,301,729	7,054,214	5,439,209	5,962,940	6,290,948	4,635,777	4,284,847
Total	\$ 10,161,519	\$ 10,622,138	\$ 8,608,573	\$ 7,301,729	\$ 7,054,214	\$ 5,439,209	\$ 5,962,940	\$ 6,290,948	\$ 4,635,777	
Town's covered-employee payroll	\$ 2,803,351	\$ 2,764,040	\$ 2,560,953	\$ 2,478,212	\$ 1,813,744	\$ 1,739,583	\$ 1,788,628	\$ 1,797,405	\$ 1,723,151	
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms	There were no changes to benefit terms since the prior Measurement Date.
Changes of assumptions	None
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent amortization period	27.8 years
Asset valuation method	4-year smoothed fair value
Inflation	2.50%
Salary increases	3.00%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

Notes:

The measurement date is one year earlier than the employer's reporting date.

TOWN OF SALISBURY  
Connecticut State Teachers Retirement System  
Required Supplementary Information  
Schedule of the Town's Proportionate Share of the Net OPEB Liability

	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	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	951,995	930,256	937,888	1,089,053	1,100,214	1,087,329	1,534,781
Total	\$ 951,995	\$ 930,256	\$ 937,888	\$ 1,089,053	\$ 1,100,214	\$ 1,087,329	\$ 1,534,781
Town's covered-employee payroll	\$ 2,803,351	\$ 2,764,040	\$ 2,560,953	\$ 2,478,212	\$ 1,813,744	\$ 1,739,583	\$ 1,788,628
Town's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	There were no changes to benefit terms since the prior Measurement Date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.
Actuarial cost method	Entry Age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Inflation	2.50%

Notes:

This schedule is intended to show information for ten years. Additional years information will be displayed as it becomes available  
The measurement date is one year earlier than the employer's reporting date.

TOWN OF SALISBURY  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Actual	Variance With Final Budget Over (Under)
	Original	Transfers	Final		
<u>Property Taxes, Interest and Fees</u>	\$ 16,497,771	\$ -	16,497,771	\$ 16,616,643	\$ 118,872
<u>Intergovernmental</u>					
Education cost sharing (ECS)	39,916	-	39,916	39,916	-
Town aid road	300,427	-	300,427	300,329	(98)
Pilot - state/fed property	5,449	-	5,449	11,964	6,515
Miscellaneous grants	83	-	83	43,470	43,387
Misc. Education grants	-	-	-	1,984	1,984
<u>Total Intergovernmental</u>	<u>345,875</u>	<u>-</u>	<u>345,875</u>	<u>397,663</u>	<u>51,788</u>
<u>Investment Income</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>259,185</u>	<u>234,185</u>
<u>Donations</u>	<u>182,000</u>	<u>-</u>	<u>182,000</u>	<u>165,700</u>	<u>(16,300)</u>
<u>Other Revenues</u>					
Telephone access	17,000	-	17,000	33,177	16,177
Conveyance taxes	200,000	-	200,000	214,073	14,073
Town Clerk fees	40,000	-	40,000	23,937	(16,063)
License and permit fees	500	-	500	115	(385)
Vitals	12,000	-	12,000	8,629	(3,371)
Copies	8,000	-	8,000	5,700	(2,300)
Document preservation	-	-	-	1,762	1,762
Construction permit fees	440,000	-	440,000	1,010,069	570,069
Zoning Fees	18,100	-	18,100	7,842	(10,258)
Stickers - resident	100,000	-	100,000	136,529	36,529
Building rental	5,000	-	5,000	6,620	1,620
Recreation program	55,000	-	55,000	58,700	3,700
194 Main Street rent	3,000	-	3,000	5,212	2,212
Miscellaneous fees	20,000	-	20,000	15,778	(4,222)
Cell tower rent	46,500	-	46,500	55,060	8,560
414 Millerton Rd fitting	11,400	-	11,400	12,300	900
<u>Total Other Revenues</u>	<u>976,500</u>	<u>-</u>	<u>976,500</u>	<u>1,595,503</u>	<u>619,003</u>
<u>Total Revenues</u>	<u>\$ 18,027,146</u>	<u>\$ -</u>	<u>\$ 18,027,146</u>	<u>\$ 19,034,694</u>	<u>\$ 1,007,548</u>

TOWN OF SALISBURY  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Favorable (Unfavorable)
<u>General Government</u>					
Selectmen	\$ 108,905	\$ 11,061	\$ 119,966	\$ 118,966	\$ 1,000
Selectmen secretary	69,545	-	69,545	66,815	2,730
Probate court	10,750	-	10,750	10,718	32
Registrar of voters	43,750	-	43,750	36,728	7,022
Board of finance	16,100	-	16,100	15,527	573
Auditors	20,000	-	20,000	20,000	-
Assessor	132,685	17,500	150,185	119,868	30,317
Board of tax review	250	-	250	-	250
Tax collector	106,064	-	106,064	101,686	4,378
Tax refunds	7,500	-	7,500	7,500	-
Accounting	155,910	-	155,910	139,098	16,812
Legal fees	101,000	(11,061)	89,939	22,971	66,968
Town clerk	154,606	-	154,606	130,088	24,518
Land use	236,487	-	236,487	215,284	21,203
Zoning board of appeals	500	-	500	-	500
Town hall operations	111,200	-	111,200	108,891	2,309
Town hall office	85,000	-	85,000	67,011	17,989
Pension plan	289,800	-	289,800	215,982	73,818
Longevity	23,100	-	23,100	22,667	433
FICA taxes	160,125	7,741	167,866	167,866	-
Health benefits	862,040	-	862,040	817,985	44,055
Workers' compensation	48,932	-	48,932	40,486	8,446
Life & disability insurance	12,000	-	12,000	8,723	3,277
Unemployment compensation	2,000	-	2,000	-	2,000
Other insurance	63,000	9,265	72,265	72,265	-
Council of small towns	1,000	-	1,000	1,000	-
CT Conference of municipalities	2,800	-	2,800	2,768	32
NW Region council of government	3,400	-	3,400	3,400	-
Housatonic river commission	400	-	400	400	-
Street lighting	29,700	-	29,700	12,319	17,381
Conservation commission	-	-	-	-	-
<u>Total General Government</u>	<u>2,858,549</u>	<u>34,506</u>	<u>2,893,055</u>	<u>2,547,012</u>	<u>346,043</u>
<u>Public Safety</u>					
Volunteer pension	35,000	9,000	44,000	44,000	-
Emergency preparedness	5,250	-	5,250	2,500	2,750
Fire protection	386,100	-	386,100	386,100	-
Litchfield county dispatch	49,100	244	49,344	49,344	-
Building official expenses	101,988	-	101,988	100,224	1,764
Fire marshal	27,700	-	27,700	19,645	8,055
Police protection	207,021	-	207,021	176,529	30,492
Civil defense	5	-	5	-	5
SARA	5	-	5	-	5
Dog warden	14,598	-	14,598	12,820	1,778
Water patrol - twin lakes	9,500	-	9,500	8,870	630
<u>Total Public Safety</u>	<u>836,267</u>	<u>9,244</u>	<u>845,511</u>	<u>800,032</u>	<u>45,479</u>

TOWN OF SALISBURY  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Favorable (Unfavorable)
<u>Public Works</u>					
General maintenance	899,716	(83,362)	816,354	790,925	25,429
Engineering	4,000	-	4,000	-	4,000
Snow and ice removal	253,000	-	253,000	178,865	74,135
Highway materials	5,700	-	5,700	3,565	2,135
Town garage maintenance	55,350	-	55,350	52,085	3,265
Road work	500,427	-	500,427	607,050	(106,623)
Tree care program	55,000	14,477	69,477	69,477	-
<u>Total Public Works</u>	<u>1,773,193</u>	<u>(68,885)</u>	<u>1,704,308</u>	<u>1,701,967</u>	<u>2,341</u>
<u>Sanitation/Waste Removal</u>					
Transfer station	413,850	-	413,850	413,850	-
Recycling center	3,000	2,235	5,235	5,235	-
<u>Total Sanitation/Waste Removal</u>	<u>416,850</u>	<u>2,235</u>	<u>419,085</u>	<u>419,085</u>	<u>-</u>
<u>Health and Welfare</u>					
Conservation of Health					
Public health nursing assoc.	114,311	-	114,311	114,311	-
Mental health	19,576	-	19,576	19,576	-
NWRMH	543	-	543	543	-
TAHD Screening	22,534	-	22,534	22,534	-
Senior services	47,572	-	47,572	40,911	6,661
Drug and alcohol testing	500	-	500	-	500
	<u>205,036</u>	<u>-</u>	<u>205,036</u>	<u>197,875</u>	<u>7,161</u>
Community Services					
Youth services bureau	14,680	-	14,680	14,680	-
Summer youth work	15,000	-	15,000	15,000	-
General assistance	41,406	-	41,406	39,879	1,527
Susan B. Anthony	2,230	-	2,230	2,230	-
Women's emergency services	3,000	-	3,000	3,000	-
NW Transportation district	2,356	-	2,356	2,152	204
Housatonic day care center	41,667	-	41,667	41,667	-
Geer adult care	15,950	-	15,950	15,950	-
NW Chore	6,000	-	6,000	6,000	-
Housatonic valley association	300	-	300	300	-
NW CT Reg Housing	250	-	250	250	-
Housing commission	50,000	-	50,000	49,583	417
	<u>192,839</u>	<u>-</u>	<u>192,839</u>	<u>190,691</u>	<u>2,148</u>
<u>Total Health and Welfare</u>	<u>397,875</u>	<u>-</u>	<u>397,875</u>	<u>388,566</u>	<u>9,309</u>
<u>Debt Service</u>					
General obligation bonds	600,000	-	600,000	600,000	-
<u>Total Debt Service</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>

TOWN OF SALISBURY  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Favorable (Unfavorable)
<u>Recreation</u>					
Scoville memorial library	183,771	-	183,771	183,771	-
Lake management	125,000	8,742	133,742	133,742	-
Ball field	35,850	2,693	38,543	38,543	-
Recreation	153,990	-	153,990	134,575	19,415
Town Grove - expenses	325,585	7,880	333,465	331,204	2,261
Senior center	34,700	-	34,700	27,337	7,363
Christmas lighting	2,500	-	2,500	2,500	-
Memorial day	6,500	-	6,500	5,503	997
<u>Total Recreation</u>	<u>867,896</u>	<u>19,315</u>	<u>887,211</u>	<u>857,175</u>	<u>30,036</u>
<u>Miscellaneous</u>					
Cemeteries	2,000	175	2,175	2,172	3
Historic district commission	6,200	-	6,200	5,066	1,134
Sundries	5,000	-	5,000	4,670	330
Community information	12,000	-	12,000	3,325	8,675
Municipal development	25,000	-	25,000	17,027	7,973
Railroad Station	10,000	3,410	13,410	13,408	2
Other	37,000	-	37,000	35,623	1,377
<u>Total Miscellaneous</u>	<u>97,200</u>	<u>3,585</u>	<u>100,785</u>	<u>81,291</u>	<u>19,494</u>
<u>Education</u>					
Educational salaries	3,222,239	-	3,222,239	3,272,964	(50,725)
Support salaries	510,239	-	510,239	520,052	(9,813)
Employee benefits	1,184,872	-	1,184,872	1,082,259	102,613
Purchased services - education	117,043	-	117,043	129,283	(12,240)
Purchased services - support	618,889	-	618,889	515,956	102,933
Building	199,440	-	199,440	182,948	16,492
Educational supplies	51,721	-	51,721	46,448	5,273
Educational support supplies	70,308	-	70,308	69,506	802
Building supplies	271,837	-	271,837	250,059	21,778
Repairs and capital	43,676	-	43,676	51,527	(7,851)
Capital reserve	50,010	-	50,010	92,467	(42,457)
HVRHS	2,253,120	-	2,253,120	2,233,158	19,962
Pupil services	1,558,043	-	1,558,043	1,463,665	94,378
RSSC	364,949	-	364,949	365,043	(94)
<u>Total Education</u>	<u>10,516,386</u>	<u>-</u>	<u>10,516,386</u>	<u>10,275,335</u>	<u>241,051</u>
<u>Capital Outlay</u>					
Highway equipment	220,000	-	220,000	220,000	-
Bridge repairs	10,000	-	10,000	10,000	-
Municipal building maintenance	65,000	-	65,000	65,000	-
Capital other	75,000	-	75,000	63,000	12,000
<u>Total Capital Outlay</u>	<u>370,000</u>	<u>-</u>	<u>370,000</u>	<u>358,000</u>	<u>12,000</u>
<u>Total Expenditures</u>	<u>\$ 18,734,216</u>	<u>\$ -</u>	<u>\$ 18,734,216</u>	<u>\$ 18,028,463</u>	<u>\$ 705,753</u>

TOWN OF SALISBURY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds					
	Summer Work Program	School Lunch Fund	Extras Program	Salisbury Fire Commission	Transfer Station Fund	Education Grants
<u>Assets</u>						
Cash and Cash Equivalents	\$ 264,471	\$ 62,515	\$ 48,996	\$ 729,159	\$ 181,998	\$ -
Investments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Accounts Receivable	-	11,993	-	11,675	28,753	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
<u>Total Assets</u>	<u>264,471</u>	<u>74,508</u>	<u>48,996</u>	<u>740,834</u>	<u>210,751</u>	<u>-</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$ 264,471</u>	<u>\$ 74,508</u>	<u>\$ 48,996</u>	<u>\$ 740,834</u>	<u>\$ 210,751</u>	<u>\$ -</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities</u>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 66,462	\$ -
Unearned Revenue	-	-	-	-	4,522	-
Due to Other Funds	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,984</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	215,588	-	-	-	-	-
Restricted	48,883	-	-	740,834	139,767	-
Committed	-	-	48,996	-	-	-
Assigned	-	74,508	-	-	-	-
Unassigned	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>264,471</u>	<u>74,508</u>	<u>48,996</u>	<u>740,834</u>	<u>139,767</u>	<u>-</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 264,471</u>	<u>\$ 74,508</u>	<u>\$ 48,996</u>	<u>\$ 740,834</u>	<u>\$ 210,751</u>	<u>\$ -</u>

TOWN OF SALISBURY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Capital Project Funds				Permanent Fund	Total
	Bridge Repair Fund	Equipment Replacement Fund	Twin Lakes Fund	LOCIP	Coffing Support of Poor Fund	
<u>Assets</u>						
Cash and cash equivalents	\$ 586,940	\$ 497,080	\$ -	\$ -	\$ 134,980	\$ 2,506,139
Investments	-	-	-	-	835,036	835,036
Inventory	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	52,421
Due From Other Funds	-	-	-	51,883	-	51,883
Due From Other Governments	1,161,488	-	-	19,235	-	1,180,723
<u>Total Assets</u>	<u>1,748,428</u>	<u>497,080</u>	<u>-</u>	<u>71,118</u>	<u>970,016</u>	<u>4,626,202</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$ 1,748,428</u>	<u>\$ 497,080</u>	<u>\$ -</u>	<u>\$ 71,118</u>	<u>\$ 970,016</u>	<u>\$ 4,626,202</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities</u>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	66,462
Unearned Revenue	-	-	-	51,883	-	56,405
Due to Other Funds	1,585,959	-	132,656	19,235	-	1,737,850
<u>Total Liabilities</u>	<u>1,585,959</u>	<u>-</u>	<u>132,656</u>	<u>71,118</u>	<u>-</u>	<u>1,860,717</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	582,475	798,063
Restricted	162,469	-	-	-	387,541	1,479,494
Committed	-	497,080	-	-	-	546,076
Assigned	-	-	(132,656)	-	-	(58,148)
Unassigned	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>162,469</u>	<u>497,080</u>	<u>(132,656)</u>	<u>-</u>	<u>970,016</u>	<u>2,765,485</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 1,748,428</u>	<u>\$ 497,080</u>	<u>\$ -</u>	<u>\$ 71,118</u>	<u>\$ 970,016</u>	<u>\$ 4,626,202</u>



TOWN OF SALISBURY  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds					
	Summer Work Program	School Lunch Fund	Extras Program	Salisbury Fire Commission	Transfer Station Fund	Education Grants
<u>Revenues:</u>						
Intergovernmental	\$ -	\$ 99,146	\$ 3,000	\$ -	\$ 256,800	\$ 51,523
Investment Income	10,071	-	3,716	21,868	16,939	-
Donations	-	-	-	-	-	-
Local Revenue	30,000	16,178	86,819	47,424	1,260,815	-
<u>Total Revenues</u>	<u>40,071</u>	<u>115,324</u>	<u>93,535</u>	<u>69,292</u>	<u>1,534,554</u>	<u>51,523</u>
<u>Expenditures:</u>						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	204,851	-	-
Public Works	-	-	-	-	-	-
Sanitation/Waste Removal	-	-	-	-	1,372,341	-
Health and Welfare	-	-	109,101	-	-	-
Recreation	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	65,236	-
Education	26,027	187,068	-	-	-	51,523
Capital Outlay	-	-	-	11,131	-	-
<u>Total Expenditures</u>	<u>26,027</u>	<u>187,068</u>	<u>109,101</u>	<u>215,982</u>	<u>1,437,577</u>	<u>51,523</u>
Excess (deficiency) of Revenues Over Expenditures	<u>14,044</u>	<u>(71,744)</u>	<u>(15,566)</u>	<u>(146,690)</u>	<u>96,977</u>	<u>-</u>
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	15,000	-	-	386,100	-	-
Operating Transfers Out	-	-	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>386,100</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>29,044</u>	<u>(71,744)</u>	<u>(15,566)</u>	<u>239,410</u>	<u>96,977</u>	<u>-</u>
<u>Fund Balances Beginning of Year</u>	<u>235,427</u>	<u>146,252</u>	<u>64,562</u>	<u>501,424</u>	<u>42,790</u>	<u>-</u>
<u>Fund Balances End of Year</u>	<u>\$ 264,471</u>	<u>\$ 74,508</u>	<u>\$ 48,996</u>	<u>\$ 740,834</u>	<u>\$ 139,767</u>	<u>\$ -</u>

TOWN OF SALISBURY  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Project Funds				Permanent Fund	Total
	Bridge Repair Fund	Equipment Replacement Fund	Twin Lakes Fund	LOCIP	Coffing Support of Poor Fund	
<u>Revenues:</u>						
Intergovernmental	\$ 1,612,898	\$ -	\$ -	\$ 28,201	\$ -	\$ 2,051,568
Investment Income	23,344	19,827	-	-	183,498	279,263
Donations	-	-	-	-	-	-
Local Revenue	-	-	-	-	-	1,441,236
<u>Total Revenues</u>	<u>1,636,242</u>	<u>19,827</u>	<u>-</u>	<u>28,201</u>	<u>183,498</u>	<u>3,772,067</u>
<u>Expenditures:</u>						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	204,851
Public Works	-	-	-	-	-	-
Sanitation/Waste Removal	-	-	-	-	-	1,372,341
Health and Welfare	-	-	-	-	-	109,101
Recreation	-	-	-	-	-	-
Miscellaneous	-	-	-	-	14,631	14,631
Debt Service	-	-	-	-	-	65,236
Education	-	-	-	-	-	264,618
Capital Outlay	1,258,196	238,437	-	28,201	-	1,535,965
<u>Total Expenditures</u>	<u>1,258,196</u>	<u>238,437</u>	<u>-</u>	<u>28,201</u>	<u>14,631</u>	<u>3,566,743</u>
<u>Excess of Revenues Over (Under)</u>						
<u>Expenditures</u>	<u>378,046</u>	<u>(218,610)</u>	<u>-</u>	<u>-</u>	<u>168,867</u>	<u>205,324</u>
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	10,000	220,000	-	-	-	631,100
Operating Transfers Out	-	-	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>10,000</u>	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,100</u>
<u>Net Change in Fund Balances</u>	<u>388,046</u>	<u>1,390</u>	<u>-</u>	<u>-</u>	<u>168,867</u>	<u>836,424</u>
<u>Fund Balances Beginning of Year</u>	<u>(225,577)</u>	<u>495,690</u>	<u>(132,656)</u>	<u>-</u>	<u>801,149</u>	<u>1,929,061</u>
<u>Fund Balances End of Year</u>	<u>\$ 162,469</u>	<u>\$ 497,080</u>	<u>\$ (132,656)</u>	<u>\$ -</u>	<u>\$ 970,016</u>	<u>\$ 2,765,485</u>

TOWN OF SALISBURY  
SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2024

Total tax collection including interest and lien fees  
for prior fiscal year \$ 16,346,559

Reimbursement for revenue loss on  
Tax relief for elderly for prior fiscal year -

Base \$ 16,346,559

	General Purpose	Schools	Sewers	Urban Renewal
Debt limitation:				
2-1/4 times base	\$36,779,758	\$ -	\$ -	\$ -
4-1/2 times base	-	73,559,516	-	-
3-3/4 times base	-	-	61,299,596	-
3-1/4 times base	-	-	-	53,126,317
Total debt limitation	<u>36,779,758</u>	<u>73,559,516</u>	<u>61,299,596</u>	<u>53,126,317</u>

Indebtedness:				
Bonds payable	5,535,475	-	-	-
Notes Payable	136,985	-	-	-
Regional School District #1 town share	-	1,941,121	-	-
Sewer Bonds & Notes	-	-	2,620,234	-
Total indebtedness	<u>5,672,460</u>	<u>1,941,121</u>	<u>2,620,234</u>	<u>-</u>

Debt limitation in excess of outstanding and authorized debt	<u>\$31,107,298</u>	<u>\$ 71,618,395</u>	<u>\$58,679,362</u>	<u>\$53,126,317</u>
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Total capacity of borrowing (7 times base) \$ 114,425,913

Total present indebtedness 10,233,815

Margin for additional borrowing \$ 104,192,098

TOWN OF SALISBURY  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Grand List Year	Balances 6/30/2023	Current Levy	Lawful Corrections		Transfers To Suspense	Collectable Taxes	Collections			Balances 6/30/2024
			Additions	Deductions			Taxes	Interest and Liens	Total	
2022	\$ -	\$ 16,513,622	\$ 4,141	\$ 10,753	\$ -	\$ 16,507,010	\$ 16,352,306	\$ 51,349	16,403,655	\$ 154,704
2021	130,144	-	2,238	502	-	131,880	81,178	13,877	95,055	50,702
2020	49,859	-	798	46	-	50,611	9,101	4,058	13,159	41,510
2019	31,508	-	-	-	5,177	26,331	5,297	2,602	7,899	21,034
2018	14,296	-	158	-	-	14,454	2,936	2,290	5,226	11,518
2017	19,054	-	-	152	-	18,902	2,759	2,663	5,422	16,143
2016	9,536	-	-	1	-	9,535	2,692	3,135	5,827	6,843
2015	14,076	-	2	-	-	14,078	2,705	4,471	7,176	11,373
2014	9,423	-	2	-	-	9,425	4,181	4,787	8,968	5,244
2013	3,550	-	-	2	-	3,548	1,356	3,168	4,524	2,192
2012	3,027	-	-	6	-	3,021	2,568	2,840	5,408	453
Totals	\$ 284,473	\$ 16,513,622	\$ 7,339	\$ 11,462	\$ 5,177	\$ 16,788,795	\$ 16,467,079	\$ 95,240	\$ 16,562,319	\$ 321,716



Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Salisbury, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Salisbury, Connecticut's basic financial statements, and have issued our report thereon dated December 23, 2024.

**Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



Sinnamon & Associates, LLC  
Certified Public Accountants

Canaan, Connecticut  
December 23, 2024



Independent Auditor's Report On Compliance For Each Major State Program;  
Report On Internal Control Over Compliance; And Report On The Schedule  
Of Expenditures Of State Financial Assistance Required By The State Single Audit Act

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

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

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

We have audited the Town of Salisbury, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Salisbury, Connecticut's major state programs for the year ended June 30, 2024. The Town of Salisbury, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Salisbury, Connecticut, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Salisbury, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Salisbury, Connecticut's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Salisbury, Connecticut's state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Salisbury, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Salisbury, Connecticut's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Salisbury, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Salisbury, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town of Salisbury, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Salisbury, Connecticut and the related notes to the financial statements, which collectively comprise the Town of Salisbury, Connecticut's basic financial statements as of and for the year ended June 30, 2024, and have issued our report thereon dated December 23, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



Sinnamon & Associates, LLC  
Certified Public Accountants

December 23, 2024  
Canaan, Connecticut

TOWN OF SALISBURY, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2024

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program CORE-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<u>Office of Policy and Management:</u>			
Property tax relief on property of totally disabled persons	11000-OPM20600-17011	\$ -	\$ 41
Property tax relief for Veterans	11000-OPM20600-17024	-	153
Tiered PILOT	11000-OPM20600-17111	-	5,449
Municipal Purposes and Projects	12052-OPM20600-43587	-	83
Local capital improvement program (LOCIP)	12050-OPM20600-40254	-	28,201
		-	33,927
<u>Judicial Branch</u>			
Judicial fines and fees	34001-JUD95162-40001	-	645
<u>Department of Transportation:</u>			
Town aid road grants transportation fund	12001-DOT57131-17036	-	300,329
Community Connectivity Grant Program	13033-DOT57000-43778	-	458,122
		-	758,451
<u>Office of the Secretary of State</u>			
Early Voting	11000-SOS12500-12651	-	10,500
<u>Department of Education:</u>			
Child Nutrition Program	11000-SDE64370-16211	-	1,387
School Breakfast	11000-SDE64370-17046	-	2,652
Healthy Foods Initiative	11000-SDE64370-16212	-	2,613
Talent Development	11000-SDE64370-12552	-	817
		-	7,469
<u>Total State Financial Assistance Before Exempt Programs</u>		-	810,992
<u>Exempt Programs</u>			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64370-17041-82010	-	39,916
<u>Office of Policy and Management</u>			
Municipal Revenue Sharing	12060-OPM20600-35458	-	32,048
<u>Total Exempt Programs</u>		-	71,964
<u>Total State Financial Assistance</u>		\$ -	\$ 882,956

See notes to schedule

TOWN OF SALISBURY  
NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2024

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Salisbury under programs of the State of Connecticut for the fiscal year ended June 30, 2024. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Salisbury through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including road repair and maintenance, capital improvements, tax relief, general assistance and education.

**Basis of Accounting**

The accounting policies of the Town of Salisbury conform to accounting principles generally accepted in the United States of America as applicable to governments. The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

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

TOWN OF SALISBURY, CONNECTICUT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2024

**I. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	___ <u>X</u> No
Significant deficiency(s) identified	___ Yes	___ <u>X</u> None Reported
Noncompliance material to financial statements noted?	___ Yes	___ <u>X</u> No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	___ Yes	___ <u>X</u> No
Significant deficiency(s) identified	___ Yes	___ <u>X</u> None Reported

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

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

	___ Yes	___ <u>X</u> No
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The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State CORE-CT Number</u>	<u>Expenditures</u>
<u>Department of Transportation:</u>		
Town aid road grants transportation fund	12001-DOT57131-17036	300,329
Community Connectivity Grant Program	13033-DOT57000-43778	458,122

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

**II - FINANCIAL STATEMENTS FINDINGS**

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

**III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.



Independent Auditor's Report on Compliance For Each Major  
Federal Program; Report on Internal Control Over Compliance  
And Report on The Schedule Of Expenditures of  
Federal Awards Required By The Uniform Guidance

To the Board of Finance of the  
Town of Salisbury, Connecticut  
Salisbury, CT

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

**Opinion on Each Major Federal Program**

We have audited the Town of Salisbury, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Town of Salisbury, Connecticut's major federal programs for the year ended June 30, 2024. The Town of Salisbury, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Salisbury, Connecticut complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Salisbury, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Salisbury, Connecticut's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Salisbury, Connecticut's federal programs.



## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Salisbury, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Salisbury, Connecticut's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Salisbury, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Salisbury, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Salisbury, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal

control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Salisbury, Connecticut as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Salisbury, Connecticut and have issued our report thereon dated December 23, 2024 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Sinnamon & Associates, LLC  
Certified Public Accountants

December 23, 2024  
Canaan, Connecticut

TOWN OF SALISBURY, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Amounts Paid to Subrecipients	Total Federal Expenditures
<u>United States Department of Transportation</u>				
Passed through the Connecticut Department of Transportation				
Highway Planning and Construction	20.205	12062-DOT57191-22108	\$ -	\$ 1,612,898
			-	1,612,898
<u>Total United States Department of Transportation</u>				
<u>United States Department of Treasury</u>				
Passed through the Connecticut Office of Policy and Management:				
COVID-19 American Rescue Plan Act - Local Fiscal Recovery EXP	21.027	12060-OPM12060-29669	-	301,214
Passed through the Connecticut Department of Education				
COVID-19 American Rescue Plan Act - Coronavirus State and Local Recovery Funds - Free Meals for Students	21.027	12060-SDE64370-28105	-	24,930
			-	326,144
<u>Total United States Department of Treasury</u>				
<u>United States Department of Agriculture</u>				
Passed through the Connecticut Department of Education				
Child Nutrition Cluster:				
National School Lunch Program	10.555	12060-SDE64370-20560		41,933
School Breakfast Program	10.553	12060-SDE64370-20508		13,391
P-EBT Local Admin	10.649	12060-SDE64370-29802		653
State Administrative Expenses for Child Nutrition	10.560	12060-SDE64370-23126		11,586
			-	67,563
<u>Total United States Department of Agriculture</u>				
<u>United States Department of Education</u>				
Passed through the Connecticut Department of Education				
Title I Grants to Local Educational Agencies - Improving Teacher Quality Grants	84.010	12060-SDE64370-20679-2024	-	27,868
Improving Teacher Quality State Grants	84.367	12060-SDE64370-28105-2023	-	12,455
Improving Teacher Quality State Grants	84.367	12060-SDE64370-28105-2024	-	1,200
Title IV - Student Support	84.424	12060-SDE64370-22854-2023	-	10,000
			-	51,523
<u>Total United States Department of Education</u>				
<u>Total Expenditures of Federal Awards</u>			\$ -	\$ 2,058,128

See Notes to the Schedule of Expenditures of Federal Awards



TOWN OF SALISBURY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Salisbury, Connecticut under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance)

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

Contingencies

The Town receives funds under various Federal grant programs and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of a non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results if adjustments, if any, relating to such audits would have any material financial impact.

Indirect Costs

The Town has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

TOWN OF SALISBURY  
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2024

**I. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None Reported	

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

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None Reported	

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance? \_\_\_\_\_ Yes  No

Identification of major programs:

Assistance Listing Number	Federal Expenditures	Name of Federal Program or Cluster
20.205	1,612,898	Highway Planning and Construction
21.027	301,214	COVID-19 American Rescue Plan Act - Local Fiscal Recovery EXP

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  No

**II - FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

**III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS**

No audit findings were reported in the prior year