

TOWN OF GOSHEN, CONNECTICUT
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026



**TOWN OF GOSHEN, CONNECTICUT
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YEAR ENDED JUNE 30, 2026**

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Independent Auditors' Report

To the Board of Directors
Town of Goshen, Connecticut

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Goshen, Connecticut, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2026, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, 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, budgetary comparison information and the pension 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 Goshen, Connecticut's basic financial statements. 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 October 28, 2026, on our consideration of the Town of Goshen, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

Sinnamon & Associates, LLC
Certified Public Accountants

October 28, 2026
Canaan Connecticut

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

The purpose of this MD&A is to provide management's perspective on the Town's financial condition and to enhance the usefulness of the accompanying financial statements. It highlights significant financial results, explains material changes in net position and fund balances, discusses significant budgetary variances, and provides context for the Town's capital and debt activities. It also addresses significant financial trends and economic factors that influenced the Town's financial position and fiscal decisions during fiscal year 2026 and were therefore incorporated into next year's budget.

This report should be read in conjunction with the accompanying government-wide and fund financial statements, notes to the financial statements, required supplementary information, and other accompanying information. Together, these documents provide a comprehensive view of the Town's financial condition and activities, as well as its stewardship of public resources.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's annual financial statements consist of the following primary components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to basic financial statements (4) required supplementary information, and (5) other schedules. This structure provides both a broad overview and a detailed, fund-specific view of the Town's financial position.

Government-Wide Financial Statements

Government-wide financial statements provide readers with a long-term, broad perspective on the Town's financial health. These statements are prepared using the accrual basis of accounting, similar to financial reporting used by private-sector entities.

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

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. Revenues and expenses are recognized when earned or incurred, regardless of when the related cash transactions occur. This statement highlights the relative financial burden or benefit of each major program on the Town's taxpayers. Government-wide financial statements report on the Town's activities in the following category:

Government-wide financial statements report on the Town's activities in the following categories:

Governmental Activities – These include the Town's primary governmental functions, including general government, public safety, public works, health and welfare, recreation, sanitation and social services, education, capital outlay. These activities are primarily supported by property taxes, intergovernmental revenues, charges for services, operating grants and contributions, capital grants and contributions, investment earnings, and other general revenues.

Fund Financial Statements

Fund financial statements are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. These funds focus on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into two categories: governmental funds and fiduciary funds.

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Governmental Funds

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

The Town maintains numerous individual governmental funds for both accountability and transparency in financial reporting. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The Town also reports the Capital and Nonrecurring Fund, the Town Aid Roads Fund and the Land Acquisition Fund as major funds. The Town of Goshen adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided in the required supplementary information section for the General Fund to demonstrate compliance with this budget.

Governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. A summary reconciliation of the fund and government-wide statements accompanies the fund financial statements.

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.

Notes to the Financial Statements

The notes provide essential disclosures and details that are fundamental to understanding the financial statements. They include information on accounting policies, detailed schedules, capital assets, pension plans, long-term liabilities, budgetary compliance, and other key elements.

Required Supplementary Information (RSI)

Following the basic financial statements, RSI includes budgetary comparison schedules, pension and OPEB trend data, and funding progress information that further support the financial statements.

Other Information

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 in the detailed schedules of this report.

FINANCIAL SUMMARY

The following financial highlights summarize the Town's overall financial activity for the fiscal year ended June 30, 2026. These highlights reflect notable trends, material events, and significant factors influencing both government-wide and fund-level results.

- At the close of the fiscal year 2026, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$15,211,957, representing an increase of 840,311 or 5.8%,

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

compared to the prior year. This increase in net position reflected an improvement in the Town's overall financial condition. Of the total net position, \$5,166,869 is unrestricted and may be used to meet the Town's ongoing obligations to its citizens and creditors.

- At the close of the fiscal year 2026, the Town's governmental funds reported combined ending fund balances of \$7,343,506, an increase of \$862,795 or 13.3% compared to the prior year.
- At the close of the fiscal year 2026, the General Fund reported total fund balance of \$3,038,245, an increase of \$207,843 or 7.3% compared to the prior year.
- At the close of the fiscal year 2026, the General Fund reported an unassigned fund balance of \$2,237,938, an increase of \$353,426 or 18.8% compared to the prior year. The unassigned fund balance represents 16.0% of the subsequent year's general fund budgeted expenditures and transfers, compared to \$1,884,512 or 14.2% in the prior year.

Government-Wide Financial Analysis

Government-wide financial analysis provides a comprehensive overview of the Town's financial condition by examining changes in assets, liabilities, and net position. This analysis is based on the government-wide financial statements, which are prepared using the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash flows occur. The Town's combined net position increased from a year ago. The analysis below focuses on the net position and changes in net of the Town's governmental activities.

Net Position

The following table presents condensed information from the District's Statement of Net Position:

	2026	2025
Assets		
Current and other assets	\$ 8,072,223	\$ 7,223,008
Capital assets, net of accumulated depreciation	8,660,151	8,721,114
Total Assets	<u>16,732,374</u>	<u>15,944,122</u>
Deferred outflows of resources	<u>129,047</u>	<u>89,065</u>
Liabilities		
Current liabilities	743,313	668,203
Long-term liabilities	799,811	897,895
Total Liabilities	<u>1,543,124</u>	<u>1,566,098</u>
Deferred inflows of resources	<u>106,340</u>	<u>95,444</u>
Net Position		
Net Investment in capital assets	8,660,151	8,721,114
Restricted	1,384,937	1,038,240
Unrestricted	5,166,869	4,612,291
Total Net Position	<u>\$ 15,211,957</u>	<u>\$ 14,371,645</u>

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Changes in Net Position

The following table presents condensed information from the District's Statement of Activities:

	2026	2025
Revenues		
Program revenues		
Charges for services	\$ 331,181	\$ 401,774
Operating grants and contributions	860,307	752,405
Capital grants and contributions	63,622	73,472
General revenues		
Property taxes	12,410,368	10,546,426
Grants & contributions	33,567	66,984
Unrestricted investment earnings	381,320	439,813
Other revenue	89,934	59,952
Total Revenues	<u>14,170,299</u>	<u>12,340,826</u>
Expenses		
General government	1,562,459	1,667,461
Public safety	243,095	273,363
Public works	1,848,578	1,716,391
Health and welfare	87,647	88,567
Recreation	221,056	209,012
Sanitation	328,145	313,007
Education	8,873,791	7,589,820
Capital outlay	165,217	137,721
Total Expenses	<u>13,329,988</u>	<u>11,995,342</u>
Change in net position	840,311	345,484
Net Position, beginning of year	<u>14,371,646</u>	<u>14,026,162</u>
Net Position, end of year	<u><u>\$ 15,211,957</u></u>	<u><u>\$ 14,371,646</u></u>

DETAILED ANALYSES

Government-Wide Detailed Analysis

The restricted portion of the Town's net position of \$1,384,937 represents net assets restricted in permanent endowment funds for various Town-owned cemeteries and funds restricted for road improvements, capital projects, town library, Shane Moorehouse Kinsella Memorial Children's Fund, and Dog Fund. The balance of unrestricted net position of \$5,166,869 may be used to meet the government's ongoing obligations to citizens and creditors.

At the close of the fiscal year 2026, the Town reports that net position increased by \$840,311 vs. \$345,484 in the prior fiscal year.

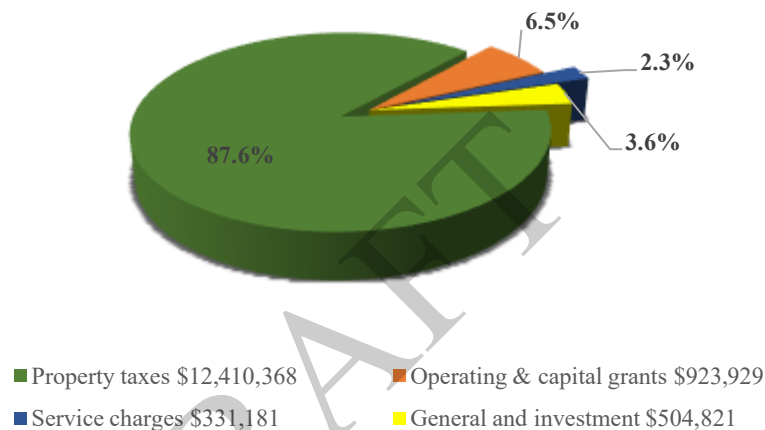
TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Major revenue factors include:

- Greater than anticipated revenue from taxes and fees of \$150,640
- Lower than anticipated revenue from investment income of \$72,125

For Governmental Activities, 87.6% of the revenues were derived from property taxes, followed by 6.5% from operating and capital grants 2.3% from service charges, and 3.6% from other general revenues and investment earnings.

Revenues by Source FY 2025-2026



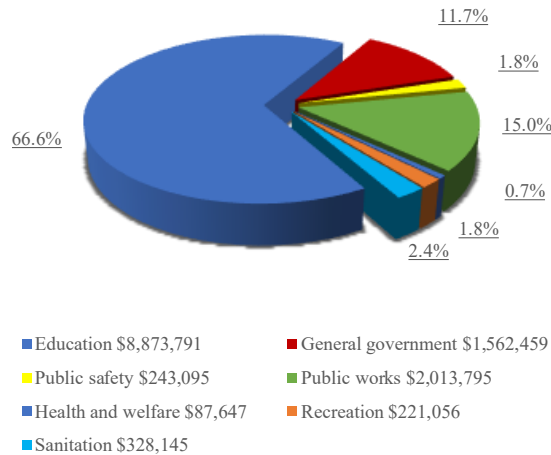
Major expense factors include:

- Savings in many departments due to the continued diligence of department heads and employees.
- The budgeted contingency amount of \$40,000 was utilized to transfer \$19,186 to other department line-item overages.
- Employee benefits - less than budget due to efficiencies and rates applied to employees.
- Waste removal less than budget due to actual MIRA fees being below budgeted amounts.
- Education Region Twenty - Town adopted budget was higher then Region 20 budget ultimately adopted.

For Governmental Activities, 66.6% of the Town's expenses related to education, 11.7% to general government, 1.8% to public safety, 15.0% to public works and capital expenses, 1.8% to recreation, and the remaining 3.1% relates to sanitation, and health and welfare.

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Expenses FY 2025-2026



Other factors affecting the change in net position include:

- Other funds had revenue and expenses in accordance with their purpose and as authorized and approved. For example, the capital nonrecurring fund expended funds on approved projects as did the Town aid road fund. Due to timing on funding vs expenditures these funds had a net surplus of \$218,875 and \$259,859 respectively.
- The change in net position is also impacted by the presentation of capital assets acquired net of depreciation which is different in presentation from the fund financial statements.

Governmental Funds Detailed Analysis

Fund financial statements provide detailed information about the Town's major funds, emphasizing current financial resources, budgetary compliance, and short-term fiscal accountability. This perspective differs from the government-wide financial analysis, which focuses on the Town's overall financial position and long-term economic resources. The following discussion examines the financial performance of the Town's governmental and fiduciary funds for the fiscal year ended June 30, 2026.

The Town reports four major funds individually in the governmental fund financial statements. Those funds are the General Fund, the Capital and Nonrecurring fund, the Town Aid Roads Fund and the Land Acquisition Fund. At the end of the fiscal year 2026, the Town's governmental funds reported combined ending fund balances of \$7,343,506, an increase of \$862,795 or 13.3% in comparison with the prior year. Nonspendable fund balance in the amount of \$614,602 is not available for new spending because it represents amounts that cannot be spent: \$25,576 was for the prepaid items in the General Fund funds, and \$589,026 was for the Cemetery and other permanent funds. The restricted fund balance of \$770,335 represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Over the past several years, there has been a concerted effort to maintain the general fund balance at an appropriate level. This has enabled the Town to meet its obligations and weather economic downturns without significantly increasing taxes. Having a stable and appropriate fund balance has placed the Town in a solid financial footing as well as improving the Town's bond rating. In spite of current economic conditions, the Town has adequately positioned itself to control mill rate increases.

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

For the fiscal year June 30, 2026, the mill rate was increased to 16.7 mills to provide for the additional debts due related to the Region 6 and Region 20 shortfalls. Both the Selectmen and the Board of Finance believe this was necessary to retain the Unassigned Fund balance at an appropriate level. The following is a history of the Mill rate by grand list year:

<u>Grant List year</u>	<u>Fiscal Year</u>	<u>Mill Rate</u>	
Oct-24	FYE26	16.7	
Oct-23	FYE25	14.2	
Oct-22	FYE24	15.6	Revaluation Year
Oct-21	FYE23	19.8	
Oct-20	FYE22	20.6	
Oct-19	FYE21	19.6	Mill rate held for 4 years

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year. The total fund balance of the General Fund is \$3,038,245 of which \$396,764 was assigned by town meeting to cover the Region 20 budget shortfall and will be paid over the next two years, \$368,974 was assigned to the subsequent year's budget and \$8,993 was assigned to encumbrances. This represents a net increase in the general fund balance of \$207,843 over the prior fiscal year balance of \$2,830,402.

The Capital and Non-Recurring Fund balance increased \$218,875 to \$1,792,146, of which \$1,768,613 is restricted or committed for approved capital appropriations.

The Town Aid Roads Fund balance increased \$259,859. The Town Aid Road Fund allocated \$50,000 to the General Fund for general road expenditures.

The Land Acquisition Fund, which was established during a Special Town Meeting in 2006, ended the year with a fund balance of \$1,164,900. A total of \$41,392 was received by the fund during the current fiscal year along with an additional \$44,433 of interest earnings allocated to the fund representing the funds share of investments under the control of the Town Treasurer as stated in the ordinance. The purpose of this special revenue fund is to acquire land which will be devoted to open space, recreation, or housing.

Fiduciary Funds

Effective September 2005, Defined Benefit pension plan payments are made directly by the Town in order to reduce administration costs. The Town has adopted a "pay-as-you-go" policy whereby the current year payments are funded, and not the amounts determined by actuarial assumptions.

General Fund Budgetary Highlights

The use of fund balance in the General Fund was originally budgeted as a surplus of \$193,053, with an additional \$6,000 appropriation authorized by the Board of Finance to the capital nonrecurring fund and \$464,283 authorized by Town meeting to cover the Region 20 and Region 6 budget shortfalls. At year-end \$19,186 of a total budgeted amount of \$40,000 was taken from contingency to cover overspending in several departments.

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$8,660,151 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

Major capital asset events during the fiscal ended June 30, 2026 included the following:

- Barre Hill Reconstruction
- Purchase of a Caterpillar Backhoe
- Airboat Refurbish
- All Season Dump - 3GO
- W Hyerdale Bridge, Pie Hill reconstruction and other public works projects
- The new Pierce Pumper and 2026 Freightliner were both placed in service including amounts included in vehicles not in service in the prior year

The table below provides detailed information on capital assets by category. These investments reflect the Town's ongoing commitment to maintaining safe, efficient, and modern infrastructure for residents, businesses, and visitors.

	2026	2025
Land	\$ 1,326,571	\$ 1,326,571
Vehicles not in service	-	1,096,961
Construction in progress	293,772	171,051
Buildings and improvements	800,661	818,792
Land improvements	489,747	517,752
Furniture, machinery and equipment	316,874	234,202
Vehicles	1,571,503	552,997
Infrastructure	3,861,023	4,002,788
Total	<u>\$ 8,660,151</u>	<u>\$ 8,721,114</u>

Long-Term Debt

At the end of the fiscal year, the Town had no bonds or notes outstanding. The total outstanding debt as of the end of the fiscal year was as follows:

	2026	2025
Compensated absences	\$ 99,917	\$ 61,175
Former Region No 6 retirement plan town percentage of net liability	719,908	786,354
Town pension plan net pension liability	47,290	50,366
Total	<u>\$ 867,115</u>	<u>\$ 897,895</u>

The net pension liability is actuarially determined by the Town's pension consultant. The Town has adopted a "pay-as-you-go" philosophy, whereby pension obligations are funded as benefits are paid for the town plan.

TOWN OF GOSHEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Debt Limits

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 \$73,350,561 which is significantly more than the Town's outstanding general obligation debt.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

- The mill rate adopted for the fiscal year 2026/2027 was set at 16.7 which was unchanged from the mill rate adopted for fiscal year 2025/2026.
- There was a \$368,974 budgeted utilization of fund balance to cover the fiscal year 2026/2027 budget. The 2025/2026 original budget included a budgeted surplus of \$193,053 in anticipation of the funding needed to cover Region 6 and Region 20 budget shortfalls. This additional funding was approved at \$464,283 by Town meeting during the fiscal year.
- At a town meeting on August 19, 2025, the Town assigned \$559,757 to cover the Region 20 2025 fiscal year budget shortfall. As of June 30, 2026, there are two additional payments remaining on this obligation of \$198,382 in fiscal year 2027 and \$198,382 in fiscal year 2028.
- There were no significant revenue changes to the 2026/2027 budget over the prior fiscal year.
- Budgeted expenses and transfers increased to \$14,018,962 in fiscal year 2026/2027 vs actual of \$13,418,329. Significant increases anticipated are \$141,720 for the Region 6 pension plan, \$35,132 for region 20 Education, and \$113,287 for public works.

These factors were considered in preparing the Town's budget for the 2026-2027 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Selectmen's Office, Town of Goshen, 42A North Street, Goshen, CT 06756. The telephone number is 860-491-2308.

TOWN OF GOSHEN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2026

Assets

Cash and cash equivalents	\$ 7,252,487
Restricted cash	78,000
Investments	619,657
Receivables:	
Property taxes	55,056
Interest and lien fees on property taxes	7,378
Other receivables	34,069
Prepaid expenses	25,576
Due from other governments	-
Capital assets not being depreciated	1,620,343
Capital assets, net of accumulated depreciation	7,039,808
Total assets	<u>\$ 16,732,374</u>

Deferred outflows of resources

129,047

Liabilities

Accounts payable	\$ 540,103
Unearned revenue	57,906
Deposits	78,000
Compensated absences - current	67,304
Noncurrent liabilities due in more than one year:	
Compensated absences	32,613
Net pension liability	767,198
Total liabilities	<u>1,543,124</u>

Deferred inflows of resources

106,340

Net position

Net Investment in capital assets	8,660,151
Restricted	1,384,937
Unrestricted	5,166,869
Total net position	<u>\$ 15,211,957</u>

The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
STATEMENT OF ACTIVITIES
JUNE 30, 2026

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
<u>Governmental activities</u>					
General government	\$ (1,562,459)	\$ 252,229	\$ 82,620	\$ -	\$ (1,227,610)
Public safety	(243,095)	-	-	-	(243,095)
Public works	(1,848,578)	-	376,808	63,622	(1,408,148)
Health and welfare	(87,647)	-	-	-	(87,647)
Recreation	(221,056)	78,952	-	-	(142,104)
Sanitation	(328,145)	-	-	-	(328,145)
Education	(8,873,791)	-	400,879	-	(8,472,912)
Capital outlay	(165,217)	-	-	-	(165,217)
<u>Total governmental activities</u>	<u>\$ (13,329,988)</u>	<u>\$ 331,181</u>	<u>\$ 860,307</u>	<u>\$ 63,622</u>	<u>(12,074,878)</u>
<u>General revenues:</u>					
Property taxes					12,410,368
Grants and contributions not restricted to specific programs					33,567
Unrestricted investment earnings					381,320
Other revenue					89,934
<u>Total general revenues</u>					<u>12,915,189</u>
<u>Change in net position</u>					<u>840,311</u>
<u>Net position beginning of year</u>					<u>14,371,646</u>
<u>Net position end of year</u>					<u>\$ 15,211,957</u>

The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
BALANCE SHEET
JUNE 30, 2026

	General Fund	Capital and Non-Recurring Fund	Town Aid Roads Fund	Land Acquisition Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 7,047,411	\$ 86,087	\$ -	\$ -	\$ 118,989	\$ 7,252,487
Restricted cash	78,000	-	-	-	-	78,000
Investments	-	-	-	-	619,657	619,657
Receivables:					-	-
Property tax	55,056	-	-	-	-	55,056
Interest and lien fees on taxes	7,378	-	-	-	-	7,378
Other	34,069	-	-	-	-	34,069
Prepaid expenses	25,576	-	-	-	-	25,576
Due from other funds	-	1,706,059	591,967	1,164,900	28,621	3,491,547
Due from other governments	-	-	-	-	-	-
<u>Total assets</u>	<u>7,247,490</u>	<u>1,792,146</u>	<u>591,967</u>	<u>1,164,900</u>	<u>767,267</u>	<u>11,563,770</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>\$ 7,247,490</u>	<u>\$ 1,792,146</u>	<u>\$ 591,967</u>	<u>\$ 1,164,900</u>	<u>\$ 767,267</u>	<u>\$ 11,563,770</u>
<u>Liabilities</u>						
Accounts payable	\$ 538,060	\$ -	\$ -	\$ -	\$ 2,043	\$ 540,103
Due to other funds	3,487,474	-	-	-	4,073	3,491,547
Unearned revenue	53,003	-	-	-	4,903	57,906
Deposits	78,000	-	-	-	-	78,000
<u>Total Liabilities</u>	<u>4,156,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,019</u>	<u>4,167,556</u>
<u>Deferred Inflows of Resources:</u>						
Unavailable Revenue - property taxes	52,708	-	-	-	-	52,708
<u>Total Deferred Inflows of Resources</u>	<u>52,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,708</u>
<u>Fund Balances</u>						
Nonspendable	25,576	-	-	-	589,026	614,602
Restricted	-	26,929	591,967	-	151,439	770,335
Committed	-	1,741,684	-	1,164,900	15,783	2,922,367
Assigned	774,731	23,533	-	-	-	798,264
Unassigned	2,237,938	-	-	-	-	2,237,938
<u>Total Fund Balances</u>	<u>3,038,245</u>	<u>1,792,146</u>	<u>591,967</u>	<u>1,164,900</u>	<u>756,248</u>	<u>7,343,506</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 7,247,490</u>	<u>\$ 1,792,146</u>	<u>\$ 591,967</u>	<u>\$ 1,164,900</u>	<u>\$ 767,267</u>	<u>\$ 11,563,770</u>

TOWN OF GOSHEN, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

<u>Total fund balances for governmental funds</u>	\$ 7,343,506
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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	8,660,151
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds

Property tax and receivables greater than 60 days	52,708
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Deferred outflows related to pensions	129,047
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds

Compensated absences	(99,917)
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Deferred inflows related to pensions	(106,340)
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Net pension liability	<u>(767,198)</u>
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Net position of governmental activities	<u><u>\$ 15,211,957</u></u>
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The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 2026

	General Fund	Capital and Non- Recurring Fund	Town Aid Roads Fund	Land Acquisition Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Revenues:</u>						
Property taxes	\$ 12,386,478	\$ -	\$ -	\$ -	\$ -	\$ 12,386,478
Interest and lien fees	45,277	-	-	-	-	45,277
Intergovernmental	498,068	-	376,808	-	36,449	911,325
Town clerk revenue	62,731	-	-	-	-	62,731
Departmental revenue	268,450	1,565	-	41,392	3,214	314,621
Investment income	252,875	3,347	-	44,433	17,133	317,788
Net change in fair value of investments	-	-	-	-	63,532	63,532
Other Revenue	52,200	1,039	-	-	36,695	89,934
<u>Total revenues</u>	<u>13,566,079</u>	<u>5,951</u>	<u>376,808</u>	<u>85,825</u>	<u>157,023</u>	<u>14,191,686</u>
<u>Expenditures:</u>						
Current:						
General government	1,601,846	-	-	-	63,587	1,665,433
Public safety	160,757	-	-	-	2,043	162,800
Public works	1,215,988	-	-	-	-	1,215,988
Health and welfare	81,376	-	-	-	-	81,376
Recreation	198,483	-	-	-	-	198,483
Sanitation	328,145	-	-	-	-	328,145
Education	8,873,791	-	-	-	-	8,873,791
Capital outlay	-	735,926	66,949	-	-	802,875
<u>Total Expenditures</u>	<u>12,460,386</u>	<u>735,926</u>	<u>66,949</u>	<u>-</u>	<u>65,630</u>	<u>13,328,891</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,105,693</u>	<u>(729,975)</u>	<u>309,859</u>	<u>85,825</u>	<u>91,393</u>	<u>862,795</u>
<u>Other financing sources (uses):</u>						
Transfers In	51,000	948,850	-	-	-	999,850
Transfers Out	(948,850)	-	(50,000)	-	(1,000)	(999,850)
<u>Total other financing sources (uses):</u>	<u>(897,850)</u>	<u>948,850</u>	<u>(50,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>
<u>Net change in fund balances</u>	<u>207,843</u>	<u>218,875</u>	<u>259,859</u>	<u>85,825</u>	<u>90,393</u>	<u>862,795</u>
<u>Fund balances beginning of year</u>	<u>2,830,402</u>	<u>1,573,271</u>	<u>332,108</u>	<u>1,079,075</u>	<u>665,855</u>	<u>6,480,711</u>
<u>Fund balances end of year</u>	<u>\$ 3,038,245</u>	<u>\$ 1,792,146</u>	<u>\$ 591,967</u>	<u>\$ 1,164,900</u>	<u>\$ 756,248</u>	<u>\$ 7,343,506</u>

The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2026

<u>Net change in fund balances - total governmental funds</u>	\$ 862,795
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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 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:

Depreciation expense	(698,621)
Capital outlay	637,658
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	

Property tax	(21,387)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	(38,742)
Change in town net pension liability	3,076
Change in former region no 6 retirement plan net pension liability	66,446
Change in net pension deferred outflows	39,982
Change in net pension deferred inflows	(10,896)

<u>Change in net position of governmental activities</u>	<u>\$ 840,311</u>
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The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF NET FIDUCIARY POSITION
JUNE 30, 2026

	Pension Trust Funds	Custodial Funds
<u>Assets</u>		
Cash and cash equivalents	\$ -	\$ -
Investments	1,467,747	-
Contributions receivable	4,847	-
<u>Total assets</u>	<u>1,472,594</u>	<u>-</u>
<u>Liabilities</u>		
Accounts payable	-	-
Due to beneficiaries	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>
<u>Net position</u>		
Restricted for pension benefits	1,472,594	-
Restricted for Individuals and Organizations	-	-
<u>Total net position</u>	<u>1,472,594</u>	<u>-</u>
<u>Total liabilities and net position</u>	<u>\$ 1,472,594</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2026

	Pension Trust Fund	Custodial Funds
<u>Additions</u>		
Contributions	\$ 58,595	\$ -
Investment income	180,800	-
Activity Fees	-	-
<u>Total additions</u>	<u>239,395</u>	<u>-</u>
<u>Deductions</u>		
Benefits paid	68,788	-
Plan administration	120	-
Program Expenses	-	19,810
<u>Total deductions</u>	<u>68,908</u>	<u>19,810</u>
<u>Change in net position</u>	170,487	(19,810)
<u>Net position beginning of year</u>	<u>1,302,107</u>	<u>19,810</u>
<u>Net position end of year</u>	<u><u>\$ 1,472,594</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Goshen, 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 was incorporated in 1739. It operates under 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, recreation, sanitation, education, and general administrative services to its residents.

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 reporting entity includes the primary government only. The criteria provided by the GASB have been considered and there are no entities which should be presented as component units of the Town. The following organizations not meeting the criteria of the GASB are not included:

Goshen Fire Company, Inc. – The Goshen Fire Company, Inc. has a separate elected board and provides services to residents, generally within the geographic boundaries of the Town. It is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations.

Woodridge Lake Sewer District – The Woodridge Lake Sewer District has a separate elected board. It is an independent unit that selects management staff, sets user charges, establishes budgets, and controls all aspects of its daily activities.

Regional School District No. 20 – The school district is an independent unit that provides educational services and facilities for the Towns of Litchfield, Warren, Goshen, and Morris. The Town pays an annual assessment to the school district based on student enrollment.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. As a general rule, the effects of interfund activity have been eliminated from these statements. Governmental activities are primarily supported by taxes and intergovernmental revenues.

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

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

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

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. It 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.

Special Revenue Funds – account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specific purposes other than debt service or capital projects.

Capital Projects 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.

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

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:

Pension Trust Funds – used for the accumulation of resources to be used for retirement benefits.

Custodial Funds – account for monies held by the Town as a custodian for outside student and municipal groups.

The Town has no Proprietary funds.

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 fiduciary fund financial statements, with the exception of agency funds which have no measurement focus. 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.

When both restricted and unrestricted resources are available for use, the Town utilizes restricted resources first, then unrestricted resources as they are needed.

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

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Property taxes, when levied for, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as governmental fund 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 program eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Capital and Nonrecurring Fund* accounts for resources that have been segregated for various acquisitions and capital projects.

The *Town Aid Roads Fund* accounts for resources that have been segregated for the improvements and repairs to the Town's infrastructure.

Additionally, the Town reports the following fiduciary funds:

The *Pension Trust Funds* account for activities of the Town's defined benefit plan and defined contribution plan, which accumulate resources for pension benefit payments to qualified employees.

The *Task Force on Prevention Fund* is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

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, deferred inflows/outflows, 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 and Cash Equivalents

The Town classifies all highly liquid investments, including money market funds, certificates of deposit, and shares held in the Connecticut State Treasurer's Short-Term Investment ("STIF") fund, having original maturities of three months or less, as cash equivalents. STIF is a 2a-7 like pool. The value of the position in the pool is the same as the pool shares. Restricted cash and equivalents in the General Fund are to be used for performance bonds.

Investments

Investments are primarily stated at fair value using quoted market prices, with the exception of U.S. government agencies whose fair values are based upon prices quoted by dealers in such securities, certificates of deposit whose cost approximates fair value, and money market funds whose amortized cost approximates fair value.

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Property Taxes

In accordance with Connecticut General Statutes, property taxes are assessed as of October 1, levied on the following July 1, and are due in two installments, July 1 and January 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes not paid on or before the first day of the next succeeding month in which they became due and payable, or if not due and payable on the first day of the month, on or before the same date of the next succeeding month corresponding to that day of the month on which they become due and payable, are considered delinquent. Continuing liens are filed within two years of the original due date. Delinquent property taxes that are due and payable on the last day of the fiscal year are reported as a receivable on both the government-wide Statement of Net Position, and the governmental fund Balance Sheet. An allowance based on historical collection experience is provided for uncollectible taxes. No allowance for uncollectible accounts was considered necessary at June 30, 2026. Property taxes, interest, and lien fees receivable that are not considered available to liquidate general fund liabilities of the current period are reported as a deferred inflow of resources on the governmental fund Balance Sheet, and accordingly, are not recognized as revenue in the fund financial statements during the current fiscal period.

Interfund Receivables, Payables, and Transactions

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (current portion of interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans).

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

Prepaid Expenses/Expenditures

Payments to vendors that reflect costs applicable to future fiscal periods are reported as prepaid in both the government-wide Statement of Net Position and the governmental fund Balance Sheet. In the governmental fund Balance Sheet, the amount reported as a prepaid expenditure is offset by Nonspendable fund balance to indicate that it is not available for expenditure.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 with an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition 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. As permitted under Government Accounting Standards Board Statement No. 34, the Town has prospectively capitalized infrastructure assets in the Statement of Net Position beginning July 1, 2003. Infrastructure assets acquired before July 1, 2003, have not been capitalized and are not reported as capital assets in the government-wide financial statements.

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Capital asset acquisitions are reported as expenditures and no depreciation is taken in the governmental fund financial statements.

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

Assets	Years
Building	25 - 75
Building improvements	10 - 30
Land improvements	10
Machinery and equipment	5 - 50
Vehicles	7 - 25
Infrastructure	10 - 25

Unearned Revenue

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

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 outflow of resources in the government-wide Statement of Net Position related to pension contributions made subsequent to the measurement date. These amounts are deferred and included in pension expense in the subsequent year. Also, the Town reports a deferred outflow of resources related to pension results in the government-wide Statement of Net Position. This deferred outflow will be amortized over a five-year period.

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. 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. Also, the Town reports a deferred outflow of resources related to pension results in the government-wide Statement of Net Position. This deferred inflow will be amortized over a five-year period.

Compensated Absences

Employees accumulate, by prescribed formula, vacation and sick days for subsequent use or for payment upon termination or retirement. Expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts that have come due, for example, as a result of employee resignations and retirements.

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred. Currently, the Town has no general obligation bond debt.

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, including capital leases, is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension Plan Accounting

In the pension trust funds, employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due pursuant to legal requirements of the plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense in the governmental activities financial statements, information about the fiduciary net position of the Town's pension plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the pension trust funds.

The Town has adopted a "pay-as-you-go" funding policy for the defined benefit plan whereby the current year benefit obligation is funded by the General Fund.

Fund Equity and Net Position

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

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

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

Unrestricted 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:

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

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

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

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

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

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance. However, the Town generally uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned, and unassigned amounts.

The Town has not formally enacted legislation requiring it to maintain a minimum fund balance. However, it is Board of Finance policy to maintain a minimum General Fund balance of no less than 12% of its annually approved appropriations of the General Fund.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is frequently employed by governmental units as an extension of formal budgetary integration in the governmental funds. The Town has adopted a policy that provides for the encumbering of General Fund appropriations in extenuating circumstances. The Town had \$8,993 in encumbrances as of fiscal year end June 30, 2026.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

Department heads, officers, and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the Board of Finance. These estimates, as revised by the Board of Finance, are recommended as the annual operating budget for adoption at the Town meeting in May. Upon the adoption of the budget, the Board of Finance is authorized to transfer appropriated amounts between departments, and to authorize additional departmental appropriations totaling less than \$20,000 in the aggregate. The legal level of control at which expenditures may not exceed appropriations is at the departmental level. Additional appropriations for the year ended June 30, 2026, were as follows:

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Additional Appropriations	Authorized by	Date	Amount
Capital Nonrecurring fund transfer for deposit on new airboat hull	Board of Finance	7/23/2025	\$ 6,000
Region 20 deficit mitigation agreement year 1	Town Meeting	8/19/2025	162,993
9/25/2025 Town Meeting Region 6 expenses	Town Meeting	9/25/2025	159,570
9/25/2025 Town Meeting Region 6 pension debt	Town Meeting	9/25/2025	141,720
			<u>\$ 470,283</u>

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.

The Town prepares its annual budget on a basis of accounting (“budgetary basis”) which differs in some respects from the United States generally accepted accounting principles basis (“GAAP basis”) of accounting. The Town has adopted a “pay-as-you-go” funding policy for the defined benefit plan whereby the current year benefit obligation is funded by the general fund. Appropriations committed to defined benefit pension plan benefit payments on the budgetary basis are not considered pension plan contributions on the GAAP basis.

A reconciliation of General Fund operations as presented in accordance with the GAAP basis of accounting, to the amounts presented on the budgetary basis, is as follows:

	Revenues	Expenditures
Total Budgetary Basis - Non GAAP	\$ 13,617,079	\$ 13,418,229
Change in Encumbrances	-	(8,993)
Other financing sources	(51,000)	-
Other financing uses	-	(948,850)
Total GAAP Basis	<u>\$ 13,566,079</u>	<u>\$ 12,460,386</u>

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NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents at June 30, 2026, consisted of:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Governmental Funds		
General Fund Deposits	\$ 53,946	\$ 549,436
General Fund Repurchase Investment Account	3,561,764	6,916,519
General Fund STIF	3,509,701	3,509,701
Capital and Non-Recurring Fund STIF	86,087	86,087
Nonmajor Governmental Funds	118,989	120,306
<u>Total Governmental Funds</u>	<u>7,330,487</u>	<u>11,182,049</u>
Agency Funds	-	-
Total Cash and Cash Equivalents	7,330,487	11,182,049
Certificates of deposit classified as investments	35,000	35,000
<u>Total Bank Deposits</u>	<u>\$ 7,365,487</u>	<u>\$ 11,217,049</u>

Investments at June 30, 2026, consisted of:

	<u>Fair Market Value</u>	<u>Maturity not Available</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>	
				<u>1- 5 Years</u>	<u>5-10 Years</u>
<u>Investment Maturity (in Years)</u>					
<u>General Fund</u>					
Certificates of deposit	\$ -	\$ -	*	\$ -	\$ -
<u>Nonmajor funds</u>					
Certificates of deposit	35,000	-	*	35,000	-
Corporate securities	461,313	461,313	N/A	-	-
Mutual funds – equity	113,216	113,216	N/A	-	-
Mutual funds – bonds	10,128	-	AA+	-	10,128
	<u>\$ 619,657</u>	<u>\$ 574,529</u>		<u>\$ 35,000</u>	<u>\$ 10,128</u>
<u>Pension Trust fund</u>					
Mutual funds – equity	1,467,747	1,467,747	N/A	-	-
	<u>\$ 1,467,747</u>	<u>\$ 1,467,747</u>		<u>\$ -</u>	<u>\$ -</u>

* – Subject to coverage by Federal Depository Insurance NA – Not applicable

Credit Risk – Investments

Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The Town's investing activities conform to Connecticut General Statutes (Section 7-400) which permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) high rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose

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portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The statutes also provide for investment in shares of the Connecticut Short Term Investment Fund. The Town's pension and permanent funds may also be invested in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks and bonds or other securities selected by the trustee, with the care of a prudent investor and in the case of pension funds, the provisions of the applicable plan.

Custodial Credit Risk – Cash Equivalents and Investments

This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2026, the funds held in the repurchase collateral account were collateralized with collateral held by the banks' trust department or agents but not in the Town's name. The Town's pension plan mutual fund investments which are directed by plan participants are not directly exposed to custodial credit or risk, nor are the mutual funds and other pooled accounts held in various governmental funds of the Town. The Town's investments in common stock, all held by the Town as a trustee of the cemetery funds, were uninsured and unregistered securities held by counterparties, or their trust departments or agents, but not in the Town's name. With the exception of the cemetery funds' common stock, no securities held by the Town were directly exposed to custodial credit risk.

Custodial Credit Risk – Deposits

This is the risk that in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town's policy is to actively manage its deposits in such a manner as to ensure that substantially all deposits are insured at all times by Federal Depository insurance. The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Connecticut General Statutes required 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. At June 30, 2026, a minimum of \$70,166 of the bank balance of the Town's deposits, was collateralized in accordance with Connecticut General Statutes (collateral held by the pledging banks trust departments but not in the Town's name), and \$380,233 was insured by Federal Depository Insurance. The remaining bank balance of \$254,344 was uninsured and uncollateralized.

Interest Rate Risk

The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The table on the previous page presents information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model.

Concentration of Credit Risk

The Town places no limit on the amount invested in any one issuer. The Town's nonmajor fund investments include common stock of several individual issuers that each represents more than 5% of total nonmajor fund investments. These investments are held in trust for the benefit of the East Street Cemetery. The individual issuers and investment amounts held in trust for East Street Cemetery are as follows:

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Issuer	Amount	Percentage of East Street Fund Investments
Abbott Laboratories	18,824	3.98%
Abbvie Inc	50,670	10.72%
AT&T Inc	6,021	1.27%
Automatic Data Processing	20,120	4.26%
Clorox Company	14,631	3.10%
Emerson Electric	57,396	12.15%
Exxon Mobil Corp	27,308	5.78%
Home Depot Inc	40,119	8.49%
Johnson & Johnson	83,783	17.73%
JP Morgan Chase & Co	131,620	27.86%
Sysco Corp	9,110	1.93%
Warner Bros Discovery Inc	1,711	0.36%
American Inc Fund of Amer A	1,054	0.22%
Fed Farm Credit Bonds	10,128	2.14%
	<u>\$ 472,495</u>	<u>100.00%</u>

Investments held in trust for other cemeteries funds are all held in American Inc Fund of America A mutual fund shares. The total of these funds was \$112,162 as of June 30, 2026.

Fair Value Measurements

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

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

The Town’s investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2026.

TOWN OF GOSHEN, CONNECTICUT
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NOTE 4 – DEFERRED INFLOWS OF RESOURCES

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2026, that are not considered available to liquidate General Fund liabilities of the current period, the General Fund column of the governmental funds Balance Sheet reports property tax revenue, which is unavailable for expenditure in the current fiscal year of \$52,708 as deferred inflows of resources.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2026 for individual major funds and all other funds in the aggregate, including the applicable allowance for collection losses, are as follows:

	General Fund	Non-Major and Other Funds	Total
Property Taxes	\$ 55,056	\$ -	\$ 55,056
Interest due on taxes	7,378	-	7,378
Accounts Receivable	34,069	-	34,069
Total Receivables	<u>\$ 96,503</u>	<u>\$ -</u>	<u>\$ 96,503</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

As of June 30, 2026, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From	Due To
General Fund	\$ 3,487,474	\$ -
Capital and Non-Recurring Fund	-	1,706,059
Town Aid Roads Fund	-	591,967
Land Acquisition	-	1,164,900
Dog Fund	-	7,935
Library Fund	-	8,929
Goshen/Cornwall Bus	-	4,903
Bottle Surcharge Fund	-	6,854
East Street Cemetery	1,460	-
Other Cemetery Funds	2,613	-
Total	<u>\$ 3,491,547</u>	<u>\$ 3,491,547</u>

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A summary of interfund transfers during the year is presented as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 51,000	\$ 948,850
Capital Non-Recurring Fund	948,850	-
Town Aid Roads Fund	-	50,000
Total	<u>\$ 999,850</u>	<u>\$ 999,850</u>

NOTE 7 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster, and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

The Town obtains its worker compensation and employer liability coverage as a member of Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Connecticut General Statutes. CIRMA is to be self-sustaining through members' premiums but purchases reinsurance for its protection at various levels for all lines of coverage provided. Members may be subject to supplemental assessment in the event of deficiencies.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 are as follows:

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	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 1,326,571	\$ -	\$ -	\$ 1,326,571
Vehicles not in service	1,096,961	-	1,096,961	-
Construction in progress	171,051	144,921	22,200	293,772
Total capital assets not being depreciated	<u>2,594,583</u>	<u>144,921</u>	<u>1,119,161</u>	<u>1,620,343</u>
Capital assets being depreciated				
Buildings and improvements	1,904,293	18,533	-	1,922,826
Land improvements	979,182	-	6,003	973,179
Furniture, machinery and equipment	1,410,918	180,808	58,300	1,533,426
Vehicles	2,847,425	1,239,605	143,158	3,943,872
Infrastructure	6,818,184	172,952	-	6,991,136
Total capital assets being depreciated	<u>13,960,002</u>	<u>1,611,898</u>	<u>207,461</u>	<u>15,364,439</u>
Less accumulated depreciation				
Buildings and improvements	1,085,501	36,664	-	1,122,165
Land improvements	461,430	28,005	6,003	483,432
Furniture, machinery and equipment	1,176,716	98,136	58,300	1,216,552
Vehicles	2,294,428	221,099	143,158	2,372,369
Infrastructure	2,815,396	314,717	-	3,130,113
Total accumulated depreciation	<u>7,833,471</u>	<u>698,621</u>	<u>207,461</u>	<u>8,324,631</u>
Total capital assets being depreciated net	<u>6,126,531</u>	<u>913,277</u>	<u>-</u>	<u>7,039,808</u>
Total capital assets, net	<u>\$ 8,721,114</u>	<u>\$ 1,058,198</u>	<u>\$ 1,119,161</u>	<u>\$ 8,660,151</u>

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

Governmental Activities	
General government	\$ 8,500
Public safety	80,295
Public Works, including depreciation of general infrastructure assets	587,277
Health and welfare	6,271
Recreation	16,278
Total depreciation expense	<u>\$ 698,621</u>

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NOTE 9 – LONG-TERM OBLIGATIONS

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability town pension plan	\$ 50,366	\$ -	\$ 3,076	\$ 47,290	\$ -
Former Region No 6 retirement plan net liability *	786,354	-	66,446	719,908	-
Compensated absences, net	61,175	38,742	-	99,917	67,304
	<u>\$ 897,895</u>	<u>\$ 38,742</u>	<u>\$ 69,522</u>	<u>\$ 867,115</u>	<u>\$ 67,304</u>

Regional Debt

As of June 30, 2026, RSD #20 authorized outstanding bonded indebtedness was \$3,282,557. The percentage attributable to the Town of Goshen is 20.90% or \$686,054.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

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

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

Effective July 1, 2024, the Town of Goshen joined the Regional School District No. 20 (RSD 20), along with Litchfield, Warren, and Morris, to provide educational services for grades kindergarten through 12th grade. This was previously provided by Regional School District No. 6 (RSD 6), which included the Towns of Goshen, Warren and Morris. Upon RSD 6's dissolution, certain liabilities remain, of which the Town of Goshen's estimated share is 47.24%. RSD 20 is expected to assume all general obligation debt, while retirement plan obligations remain with former RSD 6 member towns. An adjustment to record the Town of Goshen's proportionate percentage of the former Region No. 6 employee retirement plan was recorded as of June 30, 2024 and the town's portion of this ongoing pension activity is reflected in these financial statements.

The Town of Goshen has not recorded any liability for any Other Post-Employment Benefits (OPEB) that the member Towns of the former Region No. 6 may be liable for as that liability, if any, has not been determined.

NOTE 11 – PENSION PLANS

The Town administers two pension plans; the Town of Goshen Defined Benefit Pension Plan, a single employer defined benefit pension plan, and the Town of Goshen Defined Contribution Pension Plan, a single employer defined contribution plan. The plans, which do not issue stand-alone financial statements, cover all eligible Town employees and elected officials. In accordance with Town ordinance, the First Selectman, the Chairman of the Board of Finance, and the Town Treasurer are the plan trustees and administrative committee. Town ordinance grants the authority to define the terms and conditions of the plans, not established by Town ordinance, to the plan trustees. On July 1, 1999, the effective date of the defined contribution plan, all active participants of the defined

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benefit plan were provided the opportunity to roll over their defined benefit plan vested benefits to the defined contribution plan. All except two active participants opted to do so.

The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial statements as Pension Trust Funds. Plan benefits and contribution requirements are established by the plans, which may be amended by the Town. The Town has adopted a "pay-as-you-go" policy for the defined benefit plan whereby the current year benefit obligations is funded by the General Fund.

Defined Contribution Plan

The Town administers a single employer defined contribution plan (Money Purchase Plan) which covers all eligible employees and elected officials (Participants). The plan is included in the Town's financial statements as a Pension Trust Fund. As of June 30, 2026, the net position available for benefits was \$1,472,594. The Town adopted the plan effective July 1, 1999.

At June 30, 2026, there were 13 participants entitled to benefits covered under the plan. To be eligible, participants must be 20 ½, and have completed six months service working at least 1,000 hours. The Town contributes 9% of participant compensation. Participants are 100% vested upon five years of service. Participants may not make additional voluntary contributions to the plan.

Participants are permitted to direct the investment of contributed funds. At age 65, plan participants are entitled to a lump sum payment or a retirement benefit. The Town contributed \$58,595 to the plan during the fiscal year ended June 30, 2026. The Town's outstanding liability to the plan at fiscal year-end was \$4,847. Pension administration expenses totaling \$2,880 for this plan were paid by the General Fund.

Defined Benefit Plan

Summary of Significant Accounting Policies

Basis of Accounting – The Pension Trust Funds' financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are due pursuant to the legal requirements of each plan. Expenses are recognized when due and payable in accordance with the benefit terms of each plan.

Valuation of Investments – Investments are valued at fair value using quoted market prices.

Plan Membership – Based on the actuarial valuation dated July 1, 2026, for the Town, membership consisted of:

Active Participants	-
Terminated vested participants	-
Inactive members receiving benefits	3
	<u>3</u>

Benefit Provisions – Until July 1, 1999, the plan covered all employees and elected officials whose job required at least 1,000 hours of work per year, attained age 24 ½ and completed six months of service. As discussed above, the plan now covers three retirees. Employees may make voluntary contributions to the plan. The contribution cannot be more than 10% of annual compensation nor less than \$100. Voluntary contributions may be withdrawn at any time. Participants are 100% vested upon the completion of ten years of service, upon their normal retirement date (age 65), or when they become totally and permanently disabled, whichever occurs first. Employees who have attained age 55 and participated in the plan for ten years are entitled to early retirement benefits amounts to their accrued benefits. Normal retirement benefits are based upon 1% of employee's average monthly pay

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multiplied by the number of years of service up to a maximum of 42 years. Average monthly pay is the average of employees' annual pay for five consecutive years divided by twelve. The plan has been closed to new entrants since June 30, 1991.

Contributions – An actuarially determined contribution is calculated by an independent actuary on an annual basis using the unit credit method. However, the plan has been closed to new entrants since 1991, allowing the Town to project its maximum future annual benefit payment obligations with a high degree of accuracy. As a result, the Town has adopted a “pay-as-you-go” policy for the plan whereby the current year benefit obligation is funded by the general fund. Costs of administering the plan totaling \$3,850 were paid by the General Fund.

Investments – The town has adopted a “pay-as-you-go” plan funding policy. There are no plan investments.

Net Pension Liability – The components of the Town’s net pension liability for the plan at June 30, 2026, were as follows:

Total pension liability	\$ 47,290
Plan fiduciary net position	-
Net pension liability	<u>\$ 47,290</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2025, as updated on the liability measurement date of June 30, 2026, for changes in the discount rate. The following actuarial assumptions were applied to all periods included in the measurement:

Salary increases	n/a
Investment rate of return	n/a
Discount rate – measurement date	3.50%

Mortality rates were based on the RP-2000 Male and Female Annuitant Tables projected to 2026.

The actuarial assumptions used in the July 1, 2025, valuation were based on the Bond Buyer 20 year, tax-exempt general obligation municipal bond rate index, and a current mortality table promulgated by the Society of American Actuaries.

Discount Rate – The discount rate used to measure the total pension liability at June 30, 2026, was 3.50%. The Town has adopted a “pay-as-you-go” plan funding policy and has no plan assets currently available to finance future plan benefit payments. As a result, the discount rate is based on a 20-year, tax-exempt, general obligation municipal bond rate in conformance with GASB criteria.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the plan, calculated using the discount rate of 3.50%, as well as what the Town’s net pension liability for the plan would be if it were calculated using a discount rate that is 1-percentage-point lower or 1 percentage point higher than the current rate.

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	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Net pension liability	\$ 49,570	\$ 47,290	\$ 45,209

Changes in the Net Pension Liability – Changes in the plan’s net pension liability for the year ended June 30, 2026, are as follows:

	Total Pension Liability	Plan Fiduciary net position	Net Pension Liability
Balance at June 30, 2025	\$ 50,366	\$ -	\$ 50,366
Changes for the year:			
Interest	1,757	-	1,757
Differences between expected and actual experience	4,365	-	4,365
Changes of assumptions	164	-	164
Employer contributions	-	9,362	(9,362)
Benefit payments	(9,362)	(9,362)	-
Net changes	(3,076)	-	(3,076)
Balance at June 30, 2026	\$ 47,290	\$ -	\$ 47,290

Interlocal Agreement – Former Regional School District No. 6 Retirement Plan

The Town, along with the towns of Morris and Warren, made up the former region No. 6 School District which ceased operations effective June 30, 2024, when the new Region 20 School District was established. The 3 towns have entered into an Interlocal agreement to maintain the former retirement plan. The plan includes 2 terminated vested participants and 32 retirees and beneficiaries as of June 30, 2026. The Towns agree that by acting in concert through this Agreement, they are approximating the joint functions as to the Plan that were previously handled by Regional School District No. 6 as closely as possible. Terms of this agreement include the following.

Each Town, in accordance with its ordinance authorizing the establishment of the Interlocal Agreement, shall appoint one member to the Intermunicipal Board of Trustees (the “Board”) responsible for administering the Plan, which Board shall have the powers under the Plan of both the District and the Retirement Board. Each Town shall have one seat on the Intermunicipal Board of Trustees, which Board Member shall have a three-year term, which term may be renewed. Each Town Trustee shall be appointed in accordance with the process established under the ordinances authorizing this Interlocal Agreement.

The Towns agree to fund the Plan in accordance with the contributions required under the actuarial report prepared by The Pension Service, or a successor thereto, specifically, the actuarial determined contribution. The Towns under this Agreement intend to make contributions under the statute governing regional school districts, which base the contributions on a ratio of each town’s student count to the total number of students as required by CGS § 10-51(b).

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The Intermunicipal Board created by the Agreement shall determine the amount to be paid by each member Town as follows: (1) In an amount that bears the same ratio to the net expenses of the Plan as the number of pupils resident in such town in average daily membership in the Regional School District No. 6 during the last school/fiscal year of Regional School District No. 6 (July 1, 2023 through June 30, 2024) year bears to the total number of such pupils in all the member Towns in such year.

The ratio of each Town's number of pupils to total number of pupils for the last fiscal year of Regional School District No. 6 is:

Goshen	47.24%
Morris	33.44%
Warren	19.32%
	100.00%

Summary of Significant Accounting Policies

Basis of Accounting - Financial statements of the plan are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments - Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Plan Membership – Based on the actuarial valuation dated July 1, 2026, for the Town, membership consisted of:

Active Participants	-
Terminated vested participants	2
Inactive members receiving benefits	32
	<u>34</u>

Benefit Provisions - All employees who were regularly employed for a minimum of 25 hours per week (30 hours per week for those hired on or after July 1, 1991) and including any employee who is employed for at least 5 hours per day* for at least 180 days during the 10 month school year September 1st to July 1st. Plan excludes anyone who is or has been eligible for membership in the Connecticut State Teachers' Retirement System, or who is covered by another retirement system other than Social Security. Employees who would otherwise have become eligible after July 1, 2009 are excluded. Employees are eligible on the July 1st after satisfying the following: 2 years of continuous service, Minimum Age 25.

Funding Policy - The funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to accumulate the assets needed to pay benefits when due. The actuarially determined contribution to the plan was \$121,822 for the year ended June 30, 2026, and the Town's portion was \$57,549. There was a total of \$300,000 contributed to the plan for the year by the member Town's with Goshen contributing \$141,720.

Investment Policy - The pension plan's policy regarding allocation of invested assets is established and may be amended by a majority vote of its members. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans.

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Rate of Return - For the year ended June 30, 2026, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 14.80% for the Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability - The town's portion of the net pension liability was measured as of June 30, 2026, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2026. The components of the Town's proportionate share of the net pension liability for the plan at June 30, 2026, were as follows:

Total pension liability	\$ 1,040,088
Plan fiduciary net position	320,180
Net pension liability	<u>\$ 719,908</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>30.78%</u>

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2026, as updated on the liability measurement date of June 30, 2026, for changes in the discount rate. The following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	5.75%

Mortality rates were based on the RP-2014 (adjusted to 2006) with MP-2021 mortality improvements

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

Discount Rate - The discount rate used to measure the total pension liability was 5.75%. It will continue to decrease annually by 25 basis points until it reaches an ultimate rate of 4.70%. 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 contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the plan, calculated using the discount rate of 5.75%, as well as what the Town's net pension liability for the plan would be if it were calculated using a discount rate that is 1-percentage-point lower or 1 percentage point higher than the current rate.

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net pension liability	\$ 801,581	\$ 719,908	\$ 648,473

Changes in the Net Pension Liability – Changes in the plan’s net pension liability for the year ended June 30, 2026, are as follows:

	Total Pension Liability	Plan Fiduciary net position	Net Pension Liability
Balance at June 30, 2025	\$ 1,035,490	\$ 249,136	\$ 786,354
Changes for the year:			
Interest cost	47,676	-	47,676
Differences between expected and actual experience	7,039	-	7,039
Changes of assumptions	50,751	-	50,751
Employer contributions	-	141,720	(141,720)
Net investment income	-	30,192	(30,192)
Benefit payments	(100,868)	(100,868)	-
Net changes	4,598	71,044	(66,446)
Balance at June 30, 2026	\$ 1,040,088	\$ 320,180	\$ 719,908

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ending June 30, 2026, the Town recognized pension expense of \$102,219. At June 30, 2026, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 63,690
Change of Assumptions	129,047	-
Net differences between projected and actual earnings on plan investments	-	42,650
Total	\$ 129,047	\$ 106,340
Net amount of deferred inflow and outflow excluding District contributions subsequent to measurement date	\$ 22,707	

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	
2027	\$ (13,120)
2028	(8,809)
2029	(1,275)
2030	1,478
2031	5,231
Thereafter	39,202
Total	<u>\$ 22,707</u>

NOTE 12 ACCOUNTING CHANGES

Implementation of New Accounting Standard

For the fiscal year ended June 30, 2026, the Town implemented GASBS Nos. 103, *Financial Reporting Model Improvements*. This standard did not have a financial impact on the Town's net financial position. GASBS No. 103 provided guidance for changes in financial reporting in several areas, including modifications for reporting unusual or infrequent items, reporting major discretely presented component units, management's discussion and analysis, and budgetary reporting.

Change in Presentation

For the fiscal year ended June 30, 2026, the Land Acquisition Fund has been classified as a major fund and reclassified from the Nonmajor funds category on these financial statements.

NOTE 13 – GOVERNMENTAL FUND BALANCES

The following is a summary of all governmental fund balances as of June 30, 2026:

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

	General Fund	Capital and Non-Recurring Fund	Town Aid Roads Fund	Non Major Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid expenses	\$ 25,576	\$ -	\$ -	\$ -	\$ 25,576
Permanent endowments	-	-	-	589,026	589,026
	<u>25,576</u>	<u>-</u>	<u>-</u>	<u>589,026</u>	<u>614,602</u>
Restricted					
Capital projects	-	26,929	-	-	26,929
Health and welfare	-	-	-	20,677	20,677
Road improvements	-	-	591,967	-	591,967
Dog fund	-	-	-	5,892	5,892
Permanent endowments	-	-	-	124,870	124,870
	<u>-</u>	<u>26,929</u>	<u>591,967</u>	<u>151,439</u>	<u>770,335</u>
Committed					
Capital projects	-	1,741,684	-	-	1,741,684
Land acquisitions	-	-	-	-	-
Library expenditures	-	-	-	8,929	8,929
Bottle surcharge fund	-	-	-	6,854	6,854
	<u>-</u>	<u>1,741,684</u>	<u>-</u>	<u>15,783</u>	<u>1,757,467</u>
Assigned					
Region 20 deficit mitigation agreement	396,764	-	-	-	396,764
Subsequent years budget	368,974	-	-	-	368,974
Encumbrances	8,993	-	-	-	8,993
Capital projects	-	23,533	-	-	23,533
	<u>774,731</u>	<u>23,533</u>	<u>-</u>	<u>-</u>	<u>798,264</u>
Unassigned	<u>2,237,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,237,938</u>
Total governmental funds	<u>\$ 3,038,245</u>	<u>\$ 1,792,146</u>	<u>\$ 591,967</u>	<u>\$ 756,248</u>	<u>\$ 6,178,606</u>

General Fund assigned fund balances as of June 30, 2026, are related to the following events:

The member towns of Regional School District 20 learned of a budget shortfall as a result of the merger of Regional School District 6 and Litchfield Public Schools. The Region 20 fiscal year June 30, 2026 budget shortfall was \$2,632,913 and the Town of Goshen's share was 21.26% which equaled \$559,757. The member Towns all entered into a budget deficit mitigation agreement adopted by Town meeting whereby this obligation was agreed to be paid over the next three subsequent fiscal years. The town of Goshen's agreement was approved at a town meeting on August 19, 2025, and is reflected as an assignment of general fund balance on these financial statements. This remaining obligation is scheduled to be paid as follows:

TOWN OF GOSHEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

June 30, 2027	\$ 198,382
June 30, 2028	198,382
	<u>\$ 396,764</u>

NOTE 14 – RECENTLY ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED

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. 104, *Disclosure of Certain Capital Assets*.** The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2026.
- **GASB Statement No. 104, *Subsequent Events*.** The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2027.

TOWN OF GOSHEN, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance With Original Budget Over (Under) Final Budget	Actual	Variance With Final Budget Over (Under) Actual
	Original	Final			
<u>Revenues:</u>					
Property taxes	\$ 12,246,115	\$ 12,246,115	\$ -	\$ 12,386,478	\$ 140,363
Interest and lien fees	35,000	35,000	-	45,277	10,277
Intergovernmental	492,026	492,026	-	498,068	6,042
Town clerk revenue	59,400	59,400	-	62,731	3,331
Departmental revenue	277,218	277,218	-	268,450	(8,768)
Investment income	325,000	325,000	-	252,875	(72,125)
Other revenue	15,268	15,268	-	52,200	36,932
<u>Total revenues</u>	<u>13,450,027</u>	<u>13,450,027</u>	<u>-</u>	<u>13,566,079</u>	<u>116,052</u>
<u>Expenditures:</u>					
General government	1,743,417	1,742,678	(739)	1,601,846	(140,832)
Public safety	199,006	199,006	-	160,757	(38,249)
Public works	1,225,587	1,225,587	-	1,224,981	(606)
Health and welfare	86,457	87,196	739	81,376	(5,820)
Recreation	234,024	234,024	-	198,483	(35,541)
Sanitation	389,510	389,510	-	328,145	(61,365)
Education	8,487,123	8,951,406	464,283	8,873,791	(77,615)
Capital outlay	-	-	-	-	-
<u>Total expenditures</u>	<u>12,365,124</u>	<u>12,829,407</u>	<u>464,283</u>	<u>12,469,379</u>	<u>(360,028)</u>
Excess of Revenues Over (Under) Expenditures	<u>1,084,903</u>	<u>620,620</u>	<u>(464,283)</u>	<u>1,096,700</u>	<u>476,080</u>
<u>Other financing sources (uses):</u>					
Utilization of (addition to) fund balance	(193,053)	277,230	470,283	-	(277,230)
Change in Encumbrances	-	-	-	8,993	8,993
Operating transfers in	51,000	51,000	-	51,000	-
Operating transfers out	(942,850)	(948,850)	(6,000)	(948,850)	-
<u>Total other financing sources (uses)</u>	<u>(1,084,903)</u>	<u>(620,620)</u>	<u>464,283</u>	<u>(888,857)</u>	<u>(268,237)</u>
<u>Net change in fund balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>207,843</u>	<u>\$ 207,843</u>
<u>Fund balance - beginning of year</u>				<u>2,830,402</u>	
<u>Fund balance - end of year</u>				<u>\$ 3,038,245</u>	

See Accompanying Notes to Required Supplementary Information

TOWN OF GOSHEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2026

Revenues	Budgeted Amounts		Variance With Original Budget Over (Under) Final Budget	Actual	Variance With Final Budget Over (Under) Actual
	Original	Final			
Property taxes	\$ 12,246,115	\$ 12,246,115	\$ -	\$ 12,386,478	\$ 140,363
Interest and lien fees	35,000	35,000	-	45,277	10,277
Intergovernmental					
Education grants	400,364	400,364	-	400,879	515
LOCIP	64,122	64,122	-	63,622	(500)
Mashantucket Pequot fund	2,687	2,687	-	2,687	-
Veterans exemptions	1,590	1,590	-	1,870	280
Other grants	2,648	2,648	-	5,433	2,785
Payments in lie of taxes on state owned property	10,333	10,333	-	10,364	31
Telephone access grant	8,840	8,840	-	13,087	4,247
Region 6 School District Refund	-	-	-	-	-
State Library grant	1,442	1,442	-	126	(1,316)
	492,026	492,026	-	498,068	6,042
Town clerk revenue					
Historical preservation fees	1,400	1,400	-	1,720	320
Other town clerk revenue	5,000	5,000	-	4,946	(54)
Historic preservation grant	5,000	5,000	-	5,000	-
Real estate conveyance	33,000	33,000	-	36,053	3,053
Recording fees	15,000	15,000	-	15,012	12
	59,400	59,400	-	62,731	3,331
Departmental revenue					
Building official fees	169,878	169,878	-	182,941	13,063
Land use fees and permits	5,400	5,400	-	5,234	(166)
Library receipts	640	640	-	873	233
Recreation fees	11,000	11,000	-	16,221	5,221
Road excavations	300	300	-	450	150
Summer camp fees	90,000	90,000	-	62,731	(27,269)
	277,218	277,218	-	268,450	(8,768)
Investment income	325,000	325,000	-	252,875	(72,125)
Other revenue					
Carlisle fund for lights	4,188	4,188	-	6,572	2,384
Copies and fax receipts	80	80	-	44	(36)
Miscellaneous permits	1,500	1,500	-	1,750	250
Miscellaneous revenue	7,500	7,500	-	42,294	34,794
Newspaper contribution	2,000	2,000	-	1,540	(460)
	15,268	15,268	-	52,200	36,932
Total revenues	13,450,027	13,450,027	-	13,566,079	116,052
Other financing sources					
Utilization of fund balance	-	464,283	464,283	-	(464,283)
Transfer From Bottle Surcharge Fund	-	-	-	-	-
Dog fund transfer	1,000	1,000	-	1,000	-
Pension fund transfer	-	-	-	-	-
Town aid road transfer	50,000	50,000	-	50,000	-
Total other financing sources	51,000	515,283	464,283	51,000	(464,283)
Total revenue and other financing sources	\$ 13,501,027	\$ 13,965,310	\$ 464,283	\$ 13,617,079	\$ (348,231)

TOWN OF GOSHEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance With Original Budget Over (Under)	Actual	Variance With Final Budget Over (Under)
	Original	Final	Final Budget		Actual
<u>Town expenditures:</u>					
Animal control	\$ 12,500	\$ 12,500	\$ -	\$ 6,122	\$ (6,378)
Assessment appeal	2,226	2,226	-	1,536	(690)
Board of assessors	100,937	100,937	-	91,879	(9,058)
Board of finance	17,132	17,171	39	17,171	-
Building official	92,103	92,728	625	92,728	-
Cemeteries	5,545	5,545	-	2,908	(2,637)
Civil preparedness	8,361	8,361	-	5,606	(2,755)
Conservation commission	1,364	1,364	-	-	(1,364)
Conservation of health	79,663	79,663	-	73,843	(5,820)
Contingency account	40,000	20,814	(19,186)	-	(20,814)
Economic development committee	613	613	-	178	(435)
Elections	52,067	52,067	-	33,676	(18,391)
Employee benefits	541,462	541,462	-	489,173	(52,289)
Fire commissioners	2,148	2,148	-	2,116	(32)
Fire marshal	17,436	17,436	-	14,389	(3,047)
Fire protection	109,103	109,103	-	88,487	(20,616)
Fiscal office	74,258	74,258	-	65,348	(8,910)
Inland wetlands	5,792	6,841	1,049	6,841	-
Insurance	120,652	121,893	1,241	121,893	-
Land-use enforcement	19,250	19,592	342	19,592	-
Library	157,813	157,813	-	150,036	(7,777)
Miscellaneous	10,670	10,670	-	10,650	(20)
Newsletter	28,005	28,005	-	27,520	(485)
Planning and zoning	3,443	3,443	-	2,931	(512)
Professional services	35,005	42,419	7,414	42,419	-
Public works	1,225,587	1,225,587	-	1,224,981	(606)
Recreation	234,024	234,024	-	198,483	(35,541)
Rescue service	35,458	35,458	-	31,226	(4,232)
Selectmen's office	167,262	168,178	916	168,178	-
Street lights	14,000	14,000	-	12,811	(1,189)
Tax collector	42,655	42,655	-	38,931	(3,724)
Town clerk	115,456	115,456	-	102,743	(12,713)
Town office building	95,725	100,948	5,223	100,948	-
Treasurer	11,908	11,908	-	11,252	(656)
Waste removal	389,510	389,510	-	328,145	(61,365)
Water pollution control	357	357	-	-	(357)
Welfare	6,794	7,533	739	7,533	-
Zoning board of appeals	1,717	3,315	1,598	3,315	-
<u>Total town expenditures</u>	<u>3,878,001</u>	<u>3,878,001</u>	<u>-</u>	<u>3,595,588</u>	<u>(282,413)</u>
<u>Education Region Twenty</u>	<u>8,487,123</u>	<u>8,951,406</u>	<u>464,283</u>	<u>8,873,791</u>	<u>(77,615)</u>
<u>Total expenditures</u>	<u>12,365,124</u>	<u>12,829,407</u>	<u>464,283</u>	<u>12,469,379</u>	<u>(360,028)</u>
<u>Transfer out to capital and nonrecurring fund</u>	<u>942,850</u>	<u>948,850</u>	<u>6,000</u>	<u>948,850</u>	<u>-</u>
<u>Total expenditures and other financing uses</u>	<u>\$ 13,307,974</u>	<u>\$ 13,778,257</u>	<u>\$ 470,283</u>	<u>\$ 13,418,229</u>	<u>\$ (360,028)</u>

See Accompanying Notes to Required Supplementary Information

TOWN OF GOSHEN, CONNECTICUT
NOTES TO REQUITRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

Department heads, officers, and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the Board of Finance. These estimates, as revised by the Board of Finance, are recommended as the annual operating budget for adoption at the Town meeting in May. Upon the adoption of the budget, the Board of Finance is authorized to transfer appropriated amounts between departments, and to authorize additional departmental appropriations totaling less than \$20,000 in the aggregate. The legal level of control at which expenditures may not exceed appropriations is at the departmental level.

Additional appropriations for the year ended June 30, 2026, were as follows:

<u>Additional Appropriations</u>	<u>Authorized by</u>	<u>Date</u>	<u>Amount</u>
Capital Nonrecurring fund transfer for deposit on new airboat hull	Board of Finance	7/23/2025	\$ 6,000
Region 20 deficit mitigation agreement year 1	Town Meeting	8/19/2025	162,993
9/25/2025 Town Meeting Region 6 expenses	Town Meeting	9/25/2025	159,570
9/25/2025 Town Meeting Region 6 pension debt	Town Meeting	9/25/2025	141,720
			<u>\$ 470,283</u>

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.

The Town prepares its annual budget on a basis of accounting (“budgetary basis”) which differs in some respects from the United States generally accepted accounting principles basis (“GAAP basis”) of accounting. The Town has adopted a “pay-as-you-go” funding policy for the defined benefit plan whereby the current year benefit obligation is funded by the general fund. Appropriations committed to defined benefit pension plan benefit payments on the budgetary basis are not considered pension plan contributions on the GAAP basis.

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is frequently employed by governmental units as an extension of formal budgetary integration in the governmental funds. The Town has adopted a policy that provides for the encumbering of General Fund appropriations in extenuating circumstances. The Town had \$8,993 in encumbrances as of fiscal year end June 30, 2026.

TOWN OF GOSHEN, CONNECTICUT
NOTES TO REQUITRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

NOTE 2 – ACTUAL BUDGET RESULTS

	<u>General Fund Over (Under)</u>
<u>Revenues</u>	
Differences original to final budget	
No changes to budgeted revenue	
Differences final budget to actual	
Property taxes - exceeded budget due to collection of back year amounts and high collection rate	140,363
<u>Expenditures</u>	
Differences original to final budget	
Transfers between line items as approved by Board of Finance see budget and actual detail	
Differences final budget to actual	
Employee benefits - less than budget due to efficiencies and rates applied to employees	(52,289)
Waste removal less than budget due to actual MIRA fees being below budgeted amounts	(61,365)
Education Region Twenty - Town adopted budget was higher then Region 20 budget ultimately adopted	(77,615)
<u>Transfers and utilization of fund balance</u>	
Differences original to final budget	
Additional appropriates made during the year	
Education Region Twenty	
Region 20 deficit mitigation agreement year 1	162,993
9/25/2025 Town Meeting Region 6 expenses	159,570
9/25/2025 Town Meeting Region 6 pension debt	141,720
	<u>464,283</u>
Capital Nonrecurring fund transfer for deposit on new airboat hull	6,000
Differences final budget to actual	
None	

TOWN OF GOSHEN, CONNECTICUT
TOWN DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total pension liability</u>										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,757	1,861	2,013	2,115	2,245	2,378	2,502	2,654	2,629	2,710
Differences between expected and actual experience	4,365	4,088	3,907	3,694	3,487	3,276	3,054	3,062	(9,842)	4,994
Changes of assumptions	164	(1,058)	399	(276)	(316)	39	(668)	4,379	-	(3,236)
Benefit payments	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,929)
<u>Net change in total pension liability</u>	(3,076)	(4,471)	(3,043)	(3,829)	(3,946)	(3,669)	(4,474)	733	(16,575)	(5,461)
<u>Total pension liability - beginning</u>	50,366	54,837	57,880	61,709	65,655	69,324	73,798	73,065	89,640	95,101
<u>Total pension liability - ending</u>	47,290	50,366	54,837	57,880	61,709	65,655	69,324	73,798	73,065	89,640
<u>Plan fiduciary net position</u>										
Employer contributions	9,362	9,362	9,362	9,362	9,362	9,362	9,362	9,362	9,362	9,929
Benefit payments & Fees	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,362)	(9,929)
<u>Net Change in plan fiduciary net position</u>	-	-	-	-	-	-	-	-	-	-
<u>Plan fiduciary net position - beginning</u>	-	-	-	-	-	-	-	-	-	-
<u>Plan fiduciary net position - ending</u>	-	-	-	-	-	-	-	-	-	-
<u>Net pension liability (asset) - Ending</u>	<u>\$ 47,290</u>	<u>\$ 50,366</u>	<u>\$ 54,837</u>	<u>\$ 57,880</u>	<u>\$ 61,709</u>	<u>\$ 65,655</u>	<u>\$ 69,324</u>	<u>\$ 73,798</u>	<u>\$ 73,065</u>	<u>\$ 89,640</u>
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Covered-employee payroll</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Net pension liability as a percentage of covered employee payroll</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TOWN OF GOSHEN, CONNECTICUT
TOWN DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Actuarially determined contribution</u>	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,362	\$ 9,929
<u>Contributions in relation to the actuarially determined contribution</u>	9,362	9,362	9,362	9,362	9,362	9,362	9,362	9,362	9,362	9,929
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered-employee payroll</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Contributions as a percentage of covered-employee payroll</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Most recent valuation date

July 1, 2025

Measurement Date

June 30, 2026

The plan benefits were frozen as of July 1, 1999

Methods and assumptions used to determine the contribution rates:

Actuarial cost method
Amortization method
Remaining amortization period
Asset valuation method
Mortality rates

Pay as you go
Level dollar-open
7 years
Fair Market Value
Based on 1983 Group Annuity Male Mortality Table with no setback for males
and a 6 year setback for females.

Interest Rate
Inflation
Salary increases

7.50%
N/A
N/A

TOWN OF GOSHEN, CONNECTICUT
INTERLOCAL AGREEMENT
FORMER REGIONAL SCHOOL DISTRICT NO 6 RETIREMENT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

	*	*	**	**	**	**	**	**	**	**
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total pension liability</u>										
Service cost	\$ -	\$ -	\$ 15,708	\$ 14,108	\$ 15,299	\$ 18,432	\$ 19,736	\$ 36,593	\$ 40,391	\$ 39,955
Interest cost	47,676	65,232	146,334	149,256	159,010	163,133	170,344	176,012	172,845	160,757
Effect of economic/demographic gains or losses	57,790	(70,343)	191,542	89,958	(10,695)	71,055	9,168	(94,031)	27,723	166,650
Benefit payments	(100,868)	(187,726)	(384,588)	(219,452)	(220,922)	(215,453)	(210,797)	(194,302)	(193,785)	(182,783)
<u>Net change in total pension liability</u>	4,598	(192,837)	(31,004)	33,870	(57,308)	37,167	(11,549)	(75,728)	47,174	184,579
<u>Total pension liability - beginning</u>	1,035,490	2,600,184	2,631,188	2,597,318	2,654,626	2,617,459	2,629,008	2,704,736	2,657,562	2,472,983
<u>Adjustment for town % vs full plan %</u>	-	(1,371,857)	-	-	-	-	-	-	-	-
<u>Total pension liability - ending</u>	1,040,088	1,035,490	2,600,184	2,631,188	2,597,318	2,654,626	2,617,459	2,629,008	2,704,736	2,657,562
<u>Plan fiduciary net position</u>										
Employer contributions	141,720	-	-	-	139,074	160,581	60,581	154,205	144,457	123,375
Net investment income (loss)	30,192	32,405	136,714	116,913	(154,119)	292,427	29,895	64,918	80,007	141,769
Administrative expenses	-	-	-	-	-	-	-	-	-	(9,358)
Benefit payments including refund	(100,868)	(187,726)	(384,588)	(219,452)	(220,922)	(215,453)	(210,797)	(194,302)	(193,785)	(182,783)
<u>Net Change in plan fiduciary net position</u>	71,044	(155,321)	(247,874)	(102,539)	(235,967)	237,555	(120,321)	24,821	30,679	73,003
<u>Plan fiduciary net position - beginning</u>	249,136	856,174	1,104,048	1,206,587	1,442,554	1,204,999	1,325,320	1,300,499	1,269,820	1,196,817
<u>Adjustment for town % vs full plan %</u>	-	(451,717)	-	-	-	-	-	-	-	-
<u>Plan fiduciary net position - ending</u>	320,180	249,136	856,174	1,104,048	1,206,587	1,442,554	1,204,999	1,325,320	1,300,499	1,269,820
<u>Net pension liability (asset) - Ending</u>	\$ 719,908	\$ 786,354	\$ 1,744,010	\$ 1,527,140	\$ 1,390,731	\$ 1,212,072	\$ 1,412,460	\$ 1,303,688	\$ 1,404,237	\$ 1,387,742
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	30.78%	24.06%	32.93%	41.96%	46.46%	54.34%	46.04%	50.41%	48.08%	47.78%
<u>Covered-employee payroll</u>	N/A	N/A	N/A	235,232	221,792	244,801	295,136	283,109	433,013	450,739
<u>Net pension liability as a percentage of covered employee payroll</u>	N/A	N/A	N/A	649.2%	627.0%	495.1%	478.6%	460.5%	324.3%	307.9%

* Amounts for years 2025 and forward reflect the Town's percentage of the full plan effective with the former Regional School District ceasing operations on June 30, 2024

** Amounts for years prior to 2025 reflect 100% of the plan previously reported under Regional School District No 6

TOWN OF GOSHEN, CONNECTICUT
INTERLOCAL AGREEMENT
FORMER REGIONAL SCHOOL DISTRICT NO 6 RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS

	*	*	**	**	**	**	**	**	**	**	**
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Actuarially determined contribution</u>	\$ 57,549	\$ 68,650	\$ 131,649	\$ 119,306	\$ 139,074	\$ 134,671	\$ 160,581	\$ 154,205	\$ 144,457	\$ 123,375	\$ 126,665
<u>Contributions in relation to the actuarially determined contribution</u>	141,720	-	-	-	139,074	160,581	60,581	154,205	144,457	123,375	105,000
<u>Contribution deficiency (excess)</u>	<u>\$ (84,171)</u>	<u>\$ 68,650</u>	<u>\$ 131,649</u>	<u>\$ 119,306</u>	<u>\$ -</u>	<u>\$ (25,910)</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,665</u>

Notes to Schedule

Most recent valuation date	July 1, 2025
Measurement Date	June 30, 2026
Actuarial cost method	Project Unit Credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years from 7/1/2016
Asset valuation method	Fair Market Value
Discount rate	5.75% (previously 6.0%)
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	5.75% (previously 6.00^%)
Retirement age	62 - 65
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2021

* Amounts for years 2025 and forward reflect the Town's percentage of the full plan effective with the former Regional School District ceasing operations on June 30, 2024

** Amounts for years prior to 2025 reflect 100% of the plan previously reported under Regional School District No 6

TOWN OF GOSHEN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

	Special Revenue Funds					
	Dog Fund	Library Fund	Goshen/Cornwall Bus Fund	Bottle Surcharge Fund	Shane Moorehouse Kinsella Memorial Children's Fund	Community and Other Grants Fund
<u>Assets</u>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 20,677	\$ -
Investments	-	-	-	-	-	-
Due from other funds	7,935	8,929	4,903	6,854	-	-
Due from other governments	-	-	-	-	-	-
<u>Total Assets</u>	<u>7,935</u>	<u>8,929</u>	<u>4,903</u>	<u>6,854</u>	<u>20,677</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>\$ 7,935</u>	<u>\$ 8,929</u>	<u>\$ 4,903</u>	<u>\$ 6,854</u>	<u>\$ 20,677</u>	<u>\$ -</u>
<u>Liabilities</u>						
Accounts payable	\$ 2,043	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	4,903	-	-	-
<u>Total Liabilities</u>	<u>2,043</u>	<u>-</u>	<u>4,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	5,892	-	-	-	20,677	-
Committed	-	8,929	-	6,854	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>5,892</u>	<u>8,929</u>	<u>-</u>	<u>6,854</u>	<u>20,677</u>	<u>-</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 7,935</u>	<u>\$ 8,929</u>	<u>\$ 4,903</u>	<u>\$ 6,854</u>	<u>\$ 20,677</u>	<u>\$ -</u>

TOWN OF GOSHEN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

	Permanent Funds				
	Alice Ingham	East Street Cemetery	Other Cemetery Funds	Harmon Library	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 2,029	\$ 73,570	\$ 15,863	\$ 6,850	\$ 118,989
Investments	-	472,495	112,162	35,000	619,657
Due from other funds	-	-	-	-	28,621
Due from other governments	-	-	-	-	-
<u>Total Assets</u>	<u>2,029</u>	<u>546,065</u>	<u>128,025</u>	<u>41,850</u>	<u>767,267</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$ 2,029</u>	<u>\$ 546,065</u>	<u>\$ 128,025</u>	<u>\$ 41,850</u>	<u>767,267</u>
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	2,043
Due to other funds	-	1,460	2,613	-	4,073
Unearned revenue	-	-	-	-	4,903
<u>Total Liabilities</u>	<u>-</u>	<u>1,460</u>	<u>2,613</u>	<u>-</u>	<u>11,019</u>
<u>Fund Balances</u>					
Nonspendable	2,000	441,488	110,538	35,000	589,026
Restricted	29	103,117	14,874	6,850	151,439
Committed	-	-	-	-	15,783
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<u>Total Fund Balances</u>	<u>2,029</u>	<u>544,605</u>	<u>125,412</u>	<u>41,850</u>	<u>756,248</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 2,029</u>	<u>\$ 546,065</u>	<u>\$ 128,025</u>	<u>\$ 41,850</u>	<u>\$ 767,267</u>

TOWN OF GOSHEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2026

	Special Revenue Funds					
	Dog Fund	Library Fund	Goshen/Cornwall Bus Fund	Bottle Surcharge Fund	Shane Moorehouse Kinsella Memorial Children's Fund	Community and Other Grants Fund
<u>Revenues:</u>						
Intergovernmental	\$ -	\$ -	\$ 30,883	\$ -	\$ -	\$ 5,566
Town clerk revenue	-	-	-	-	-	-
Departmental revenue	3,214	-	-	-	-	-
Investment income	-	-	-	-	-	-
Net change in fair value of investments	-	-	-	-	-	-
Other Revenue	-	-	10,200	1,785	24,710	-
<u>Total Revenues</u>	<u>3,214</u>	<u>-</u>	<u>41,083</u>	<u>1,785</u>	<u>24,710</u>	<u>5,566</u>
<u>Expenditures:</u>						
Current:						
General government	-	-	41,083	-	11,491	5,566
Public safety	2,043	-	-	-	-	-
<u>Total Expenditures</u>	<u>2,043</u>	<u>-</u>	<u>41,083</u>	<u>-</u>	<u>11,491</u>	<u>5,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,171</u>	<u>-</u>	<u>-</u>	<u>1,785</u>	<u>13,219</u>	<u>-</u>
<u>Other Financing Sources (Uses):</u>						
Transfers In	-	-	-	-	-	-
Transfers Out	(1,000)	-	-	-	-	-
<u>Total Other Financing sources (Uses):</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>171</u>	<u>-</u>	<u>-</u>	<u>1,785</u>	<u>13,219</u>	<u>-</u>
<u>Fund Balances Beginning of Year</u>	<u>5,721</u>	<u>8,929</u>	<u>-</u>	<u>5,069</u>	<u>7,458</u>	<u>-</u>
<u>Fund Balances End of Year</u>	<u>\$ 5,892</u>	<u>\$ 8,929</u>	<u>\$ -</u>	<u>\$ 6,854</u>	<u>\$ 20,677</u>	<u>\$ -</u>

TOWN OF GOSHEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

	Permanent Funds				
	Alice Ingham	East Street Cemetery	Other Cemetery Funds	Harmon Library	Total
<u>Revenues:</u>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 36,449
Town clerk revenue	-	-	-	-	-
Departmental revenue	-	-	-	-	3,214
Investment income	10	11,367	4,510	1,246	17,133
Net change in fair value of investments	-	53,865	9,667	-	63,532
Other Revenue	-	-	-	-	36,695
<u>Total Revenues</u>	<u>10</u>	<u>65,232</u>	<u>14,177</u>	<u>1,246</u>	<u>157,023</u>
<u>Expenditures:</u>					
Current:					
General government	-	1,460	3,987	-	63,587
Public safety	-	-	-	-	2,043
<u>Total Expenditures</u>	<u>-</u>	<u>1,460</u>	<u>3,987</u>	<u>-</u>	<u>65,630</u>
Excess (Deficiency) of Revenues Over Expenditures	10	63,772	10,190	1,246	91,393
<u>Other Financing Sources (Uses):</u>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(1,000)
<u>Total Other Financing sources (Uses):</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>
<u>Net Change in Fund Balances</u>	<u>10</u>	<u>63,772</u>	<u>10,190</u>	<u>1,246</u>	<u>90,393</u>
<u>Fund Balances Beginning of Year</u>	<u>2,019</u>	<u>480,833</u>	<u>115,222</u>	<u>40,604</u>	<u>665,855</u>
<u>Fund Balances End of Year</u>	<u>\$ 2,029</u>	<u>\$ 544,605</u>	<u>\$ 125,412</u>	<u>\$ 41,850</u>	<u>\$ 756,248</u>

TOWN OF GOSHEN, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2026

Total tax collection including interest and lien fees
for prior fiscal year \$ 10,507,223

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

Base \$ 10,507,223

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 23,641,252	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	47,282,504	-	-	-
3-3/4 times base	-	-	39,402,086	-	-
3-1/4 times base	-	-	-	34,148,475	-
3 times base	-	-	-	-	31,521,669
Total debt limitation	<u>23,641,252</u>	<u>47,282,504</u>	<u>39,402,086</u>	<u>34,148,475</u>	<u>31,521,669</u>

Indebtedness:					
Regional School District #20 town share of Litchfield board of education and former Regional School District #6 bonds payable	-	686,054	-	-	-
Town of Goshen defined benefit pension plan net pension liability	-	-	-	-	47,290
Former Regional School District #6 town share of net pension liability	-	-	-	-	719,908
Total indebtedness	<u>-</u>	<u>686,054</u>	<u>-</u>	<u>-</u>	<u>767,198</u>

Debt limitation in excess of outstanding and authorized debt	<u>\$ 23,641,252</u>	<u>\$ 46,596,449</u>	<u>\$ 39,402,086</u>	<u>\$ 34,148,475</u>	<u>\$ 30,754,471</u>
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Note: in no case shall total indebtedness exceed seven time the
annual receipts from taxation. Accordingly the overall statutory debt limit is \$ 73,550,561

TOWN OF GOSHEN, CONNECTICUT
REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2026

Grand List October 1	Balances 6/30/2025	Current Levy	Lawful Corrections		Collectable Taxes	Collections				Transfers To Suspense	Balances 6/30/2026
			Additions	Deductions		Taxes	Interest	Lien and Fees	Total		
2024	\$ -	\$ 12,389,490	\$ 12,165	\$ 11,081	\$ 12,390,574	\$ 12,360,371	\$ 33,094	\$ 1,306	12,394,771	\$ 26	\$ 30,177
2023	48,016	-	158	7,811	40,363	29,738	5,808	1,702	37,248	-	10,625
2022	8,147	-	-	843	7,304	5,844	1,899	370	8,113	-	1,460
2021	4,418	-	-	-	4,418	1,468	750	343	2,561	-	2,950
2020	3,025	-	-	-	3,025	71	52	24	147	440	2,514
2019	2,044	-	-	-	2,044	281	270	88	639	466	1,297
2018	786	-	-	-	786	-	-	-	-	-	786
2017	684	-	-	-	684	-	-	-	-	-	684
2016	1,436	-	-	-	1,436	-	-	-	-	-	1,436
2015	529	-	-	-	529	-	-	-	-	-	529
2014	473	-	-	-	473	-	-	-	-	-	473
2013	314	-	-	-	314	-	-	-	-	-	314
2012	1,193	-	-	-	1,193	-	-	-	-	-	1,193
2011	618	-	-	-	618	-	-	-	-	-	618
Totals	<u>\$ 71,683</u>	<u>\$ 12,389,490</u>	<u>\$ 12,323</u>	<u>\$ 19,735</u>	<u>\$ 12,453,761</u>	<u>\$ 12,397,773</u>	<u>\$ 41,873</u>	<u>\$ 3,833</u>	<u>\$ 12,443,479</u>	<u>\$ 932</u>	<u>\$ 55,056</u>



Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Finance
Town of Goshen, Connecticut

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Town of Goshen, Connecticut's basic financial statements, and have issued our report thereon dated October 28, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Goshen, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Goshen, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Goshen, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Goshen, Connecticut's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 Goshen, 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 result of that testing, and not to provide an opinion on the effectiveness of the Town of Goshen, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Goshen, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sinnamon & Associates, LLC
Certified Public Accountants

October 28, 2026
Canaan Connecticut

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Independent Auditors' 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 Directors
Town of Goshen, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Goshen, 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 Goshen, Connecticut's major state programs for the year ended June 30, 2026. The Town of Goshen, 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 Goshen, 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, 2026.

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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, 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 Goshen, Connecticut and the related notes to the financial statements, which collectively comprise the Town of Goshen, Connecticut's basic financial statements as of and for the year ended June 30, 2026, and have issued our report thereon dated October 28, 2026, 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

October 28, 2026
Canaan Connecticut

TOWN OF GOSHEN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2026

State Grantor/Pass Through Grantor/Program Title	State Grant Program CORE-CT Number	Passed Through to Subrecipients	Expenditures
<u>Office of Policy and Management:</u>			
Property tax relief on property of totally disabled persons	11000-OPM20600-17011	\$ -	\$ 200
Local capital improvement program (LOCIP)	12050-OPM20600-40254	-	63,622
Property tax relief for Veterans	11000-OPM20600-17024	-	1,870
Municipal purposes & projects	12052-OPM20600-43587	-	2,648
Tiered PILOT	12002-OPM20600-17111	-	10,364
		-	78,704
<u>Judicial Branch</u>			
Judicial fines and fees	34001-JUD95162-40001	-	2,150
<u>Department of Transportation:</u>			
Bus Operations	12001-DOT57931-12175	-	30,883
Town aid road grants transportation fund	12001-DOT57131-17036-34005	-	116,949
		-	147,832
<u>Connecticut State Library</u>			
Historic documents preservation grant	12060-CSL66094-35150	-	5,000
Connecticard	11000-CSL66051-17010	-	126
		-	5,126
<u>Department of Education:</u>			
Special Education Expansion	11000-SDE64370-17113		544
<u>Total State Financial Assistance Before Exempt Programs</u>			
		-	234,356
<u>Exempt Programs</u>			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64370-17041	-	400,335
<u>Office of Policy and Management</u>			
Mashantucket Pequot and Mohegan Fund	12009-OPM20600-17005	-	2,687
Municipal Revenue Sharing	12060-OPM20600-35458		252
<u>Total Exempt Programs</u>			
		-	403,274
<u>Total State Financial Assistance</u>			
		\$ -	\$ 637,630

TOWN OF GOSHEN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2026

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 Goshen, Connecticut under programs of the State of Connecticut for the fiscal year ended June 30, 2026. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Goshen, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the schedule presents only a selected portion of the operations of the Town of Goshen, Connecticut, it is not intended and does not present the financial position, changes in fund balance or changes in net position of the Town of Goshen, Connecticut.

The accounting policies of the Town of Goshen, Connecticut 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.

Basis of Accounting

Expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the 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 expenditure's column of the Schedule of Expenditures of State Financial Assistance.

The fund financial statements contained in the Town's annual audit report are prepared on the modified accrual basis. Under this basis of accounting revenues are recognized when they are earned, measurable and available. Certain grants are recognized based on grant award since they are considered entitlement grants; other grants, such as grants that are dependent upon expenditure factor for determining eligibility, recognize grant revenue to the extent of expenditures. Expenditures are recorded when the related liability is incurred.

The government-wide financial statements are prepared on the accrual basis of accounting. Under this basis of accounting revenues are recognized when they are earned, and expenses are recorded when the related liability is incurred.

TOWN OF GOSHEN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2026

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 X No
- Significant deficiency(s) identified Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(s) identified Yes X 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 X No

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-DOT57131-17036-34005	\$ 116,949
Bus Operations	12001-DOT57931-12175	\$ 30,883
<u>Office of Policy and Management:</u>		
Local capital improvement program (LOCIP)	12050-OPM20600-40254	\$ 63,972

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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.