
TOWN OF ASHFORD, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2021

TOWN OF ASHFORD, CONNECTICUT
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Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Ashford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ashford, CT, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ashford, CT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ashford, CT, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ashford, CT's basic financial statements. The combining and individual general and nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual general and nonmajor fund financial statements and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual general and nonmajor fund financial statements and supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021, on our consideration of the Town of Ashford, CT's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ashford, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
October 18, 2021

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

As management of the Town of Ashford, CT, we offer readers of the Town of Ashford, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Ashford, CT for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Ashford, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,591,219 (*net position*). Of this amount, \$2,727,790 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$92,466.
- As of the close of the current fiscal year, the Town of Ashford, CT's governmental funds reported combined ending fund balances of \$4,567,554, a decrease of \$44,760 in comparison with the prior year. Of this amount, \$1,931,495 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,938,717 or 12.80 percent of total General Fund budgeted expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Ashford, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town has no business-type activities. The governmental activities of the Town of Ashford, CT include education, public safety, general government, public works, health and welfare, planning and development, library, and recreation. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Ashford, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Ashford, CT can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Town of Ashford, CT, maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Nonrecurring Fund, Small Cities Grant Program Fund, and the ARPA Grant Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-42 of this report.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Ashford, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,591,219 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	2021	2020	Variance
Current and Other Assets	\$ 6,822,239	\$ 5,802,956	\$ 1,019,283
Capital Assets	<u>14,201,012</u>	<u>14,482,147</u>	<u>(281,135)</u>
Total Assets	<u>21,023,251</u>	<u>20,285,103</u>	<u>738,148</u>
Deferred Outflows of Resources	<u>13,888</u>	<u>15,159</u>	<u>(1,271)</u>
Other Liabilities	1,609,105	627,886	981,219
Long-Term Liabilities	<u>1,836,815</u>	<u>1,988,691</u>	<u>(151,876)</u>
Total Liabilities	<u>3,445,920</u>	<u>2,616,577</u>	<u>829,343</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Net Investment in Capital Assets	13,323,529	13,350,194	(26,665)
Restricted	1,539,900	1,611,732	(71,832)
Unrestricted	<u>2,727,790</u>	<u>2,721,759</u>	<u>6,031</u>
Total Net Position	<u>\$ 17,591,219</u>	<u>\$ 17,683,685</u>	<u>\$ (92,466)</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets decreased by \$26,665 primarily due to depreciation being greater than current year capital purchases by \$281,135, less the paydown of related debt in the amount of \$248,078, along with the amortization of the deferred charges on refunding and amortization of the bond premium.

The Town's restricted net position of \$1,539,900 decreased by \$71,832 compared to last years restricted net position of \$1,611,732.

The Town's unrestricted net position of \$2,727,790 increased by \$6,031 compared to last years unrestricted net position of \$2,721,759.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

STATEMENT OF CHANGES IN NET POSITION

	2021	2020	Variance
REVENUES			
<i>Program:</i>			
Charges for services	\$ 479,863	\$ 492,613	\$ (12,750)
Operating grants and contributions	6,722,419	5,998,955	723,464
Capital grants and contributions	11,323	87,025	(75,702)
<i>General:</i>			
Property taxes	11,441,958	10,873,043	568,915
Grants and contributions, not restricted to specific programs	80,096	77,699	2,397
Unrestricted investment earnings	10,259	45,646	(35,387)
Total Revenues	18,745,918	17,574,981	1,170,937
EXPENSES			
<i>Governmental Activities:</i>			
General Government	1,186,017	1,096,177	89,840
Public Safety	445,231	364,014	81,217
Public Works	1,540,953	1,356,334	184,619
Health and Welfare	142,031	135,426	6,605
Planning and Development	258,695	260,240	(1,545)
Education	14,901,013	14,201,190	699,823
Library	199,255	236,682	(37,427)
Recreation	141,979	159,368	(17,389)
Interest on long-term debt	23,210	24,504	(1,294)
Total Expenses	18,838,384	17,833,935	1,004,449
Change in Net Position	(92,466)	(258,954)	\$ 166,488
Beginning Net Position	17,683,685	17,942,639	
Ending Net Position	\$ 17,591,219	\$ 17,683,685	

Governmental activities. Governmental activities decreased the Town of Ashford, CT's net position by \$92,466.

Sixty-one percent (61%) of the revenues of the Town were derived from property taxes, followed by thirty-six percent (36%) from grants and contributions, less than three percent (3%) from charges for services and less than one percent (1%) of the Town's revenue in the fiscal year was derived from investment income.

Seventy-nine percent (79%) of the expenses of the Town were related to education, followed by six percent (6%) related to general government, eight percent (8%) related to public works and seven percent (7%) related to the remainder of the government's expenses.

There was an increase in both the operating grants and contributions revenues and the education expenses due to an increase in the on-behalf pension and OPEB benefits recognized by the Town in connection with its participation in the State Teachers Retirement System.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the Town of Ashford, CT's governmental funds reported combined ending fund balances of \$4,567,554, a decrease of \$44,760 in comparison with the prior year. Forty-two percent (42%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the Town of Ashford, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,938,717. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 12.7 percent of total General Fund budget basis expenditures and transfers out.

The fund balance of the Town of Ashford, CT's General Fund decreased by \$7,454 during the current fiscal year. Key factors of this decrease are as follows:

- Tax collections, grants, and charges for services coming in higher than anticipated.
- Expenditures coming in less than budgeted, mainly in Education and General Government.

Capital Nonrecurring Fund. The fund balance of the Capital Nonrecurring Fund increased by \$114,694 during the current fiscal year. This increase is primarily related to an authorized transfer from unassigned fund balance of the General Fund in the amount of \$367,638 to fund future capital projects and purchases along with a transfer of an insurance reimbursement previously received of \$49,615. These transfers were offset by current year capital outlays and related debt service payments. There were also grants used to help offset the costs of road repairs and maintenance.

Small Cities Grant Program Fund. The fund balance of the Small Cities Grant Program Fund decreased by \$75,352 during the current fiscal year.

ARPA Grant Fund. There was no change in the fund balance of the ARPA Grant Fund as the money is held as an asset and unearned revenue until it is used for qualified expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget for the General Fund included an additional appropriation from fund balance in the amount of \$367,638 to transfer funds to the Capital Nonrecurring Fund for future capital purposes along with a transfer of \$49,615 which was an insurance reimbursement received previously. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$33,054. Budgetary revenues were \$187,431 greater than expected due primarily to higher than anticipated tax collections, state aid, and charges for services. Budgetary expenditures were \$262,876 less than expected, mainly due to savings in the General Government and Education lines.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Ashford, CT's reported value in capital assets for its governmental activities as of June 30, 2021, amounts to \$14,201,012 (net of accumulated depreciation). This reported value in capital assets includes land and land development rights, buildings and improvements, machinery, equipment and vehicles, and infrastructure assets such as roads and bridges. The total decrease in the Town's investment in capital assets for the current fiscal year was \$281,135, which consisted of capital additions of \$195,455, offset by current year depreciation of \$476,590.

	2021	2020
Land and Land Development Rights	\$ 968,756	\$ 968,756
Buildings and Improvements	9,919,458	10,105,847
Machinery, Equipment, and Vehicles	1,740,757	1,763,340
Infrastructure	1,572,041	1,644,204
Total	<u>\$ 14,201,012</u>	<u>\$ 14,482,147</u>

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

- Purchase of a new generator.
- Purchase of a new school bus.
- Capitalization of new finance software.

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

Long-term debt. At the end of the current fiscal year, the Town of Ashford, CT had long-term debt and other long-term liabilities outstanding of \$1,836,815.

	2021	2020
G.O. Bonds	\$ 780,000	\$ 1,005,000
Unamortized Premium	85,307	92,970
Capital Lease Obligation	26,064	49,142
Compensated Absences	50,467	53,370
OPEB Liability	894,977	788,209
Total	<u>\$ 1,836,815</u>	<u>\$ 1,988,691</u>

The Town of Ashford, CT's total long-term debt and other long-term liabilities decreased by \$151,876 (7.6 percent) during the current fiscal year primarily due to the current year paydown of the G.O. Bonds in the amount of \$225,000, the current year paydown of the capital lease obligations in the amount of \$23,078, and the increase in the OPEB liability in the amount of \$106,768. Additional information on the Town of Ashford, CT's long-term debt can be found in Note 6 on pages 29-30 of this report.

The Town currently maintains a bond rating of Aa3 by Moody's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

All of these factors were considered in preparing the Town of Ashford, CT's budget for the 2022 fiscal year. The Town's fiscal year 2022 budget was approved by the Board of Finance on April 8, 2021 and adopted at Town referendum on May 25, 2021. The Town's fiscal year 2022 budgeted expenditures for the General Fund totaled \$15,036,869, a decrease of \$70,138 or 0.47% under the fiscal year 2021 original approved budgeted expenditures.

The Town has not assigned any use of fund balance of the General Fund for spending in the 2022 fiscal year budget.

REQUEST FOR INFORMATION

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

Basic Financial Statements

TOWN OF ASHFORD, CONNECTICUT

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 4,690,751
Restricted Cash	13,986
Investments	75,000
Receivables, Net	2,039,417
Other Assets	3,085
Capital Assets:	
Assets Not Being Depreciated	968,756
Assets Being Depreciated, Net	<u>13,232,256</u>
Total Assets	<u>21,023,251</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	<u>13,888</u>
Liabilities	
Accounts Payable and Accrued Items	874,249
Accrued Interest Payable	8,400
Unearned Revenue	712,470
Performance Bonds	13,986
Noncurrent Liabilities:	
Due Within One Year	262,197
Due In More Than One Year	<u>1,574,618</u>
Total Liabilities	<u>3,445,920</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	13,323,529
Restricted for:	
Endowments - Nonexpendable	81,000
Endowments - Expendable	10,683
Other Purposes	55,069
Community Development Block Program	1,393,148
Unrestricted	<u>2,727,790</u>
Total Net Position	<u>\$ 17,591,219</u>

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

TOWN OF ASHFORD, CONNECTICUT

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 1,186,017	\$ 206,756	\$ 12,268	\$ -	\$ (966,993)
Public Safety	445,231	4,441	16,099	-	(424,691)
Public Works	1,540,953	-	345,233	-	(1,195,720)
Health and Welfare	142,031	7,760	19,857	-	(114,414)
Planning and Development	258,695	-	-	11,323	(247,372)
Education	14,901,013	255,053	6,256,309	-	(8,389,651)
Library	199,255	846	72,653	-	(125,756)
Recreation	141,979	5,007	-	-	(136,972)
Interest on Long-Term Debt	23,210	-	-	-	(23,210)
Total Governmental Activities	<u>\$ 18,838,384</u>	<u>\$ 479,863</u>	<u>\$ 6,722,419</u>	<u>\$ 11,323</u>	<u>(11,624,779)</u>
General Revenues:					
Property Taxes					11,441,958
Grants and Contributions not Restricted to Specific Programs					80,096
Unrestricted Investment Earnings					<u>10,259</u>
Total General Revenues					<u>11,532,313</u>
Change in Net Position					(92,466)
Net Position - Beginning of Year					<u>17,683,685</u>
Net Position - End of Year					<u>\$ 17,591,219</u>

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

TOWN OF ASHFORD, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 4,334,944	\$ 128,875	\$ 110,246	\$ -	\$ 116,686	\$ 4,690,751
Restricted Cash	13,986	-	-	-	-	13,986
Investments	-	-	-	-	75,000	75,000
Receivables, Net of Allowance	720,413	-	1,282,907	-	36,097	2,039,417
Other	460	-	-	-	2,625	3,085
Due from Other Funds	74,847	625,945	-	629,635	196,263	1,526,690
Total Assets	<u>\$ 5,144,650</u>	<u>\$ 754,820</u>	<u>\$ 1,393,153</u>	<u>\$ 629,635</u>	<u>\$ 426,671</u>	<u>\$ 8,348,929</u>
Liabilities						
Accounts Payable and Accrued Items	\$ 823,525	\$ -	\$ 5	\$ -	\$ 50,719	\$ 874,249
Unearned Revenue	-	-	-	629,635	82,835	712,470
Performance Bonds	13,986	-	-	-	-	13,986
Due to Other Funds	1,449,751	-	-	-	76,939	1,526,690
Total Liabilities	<u>2,287,262</u>	<u>-</u>	<u>5</u>	<u>629,635</u>	<u>210,493</u>	<u>3,127,395</u>
Deferred Inflows of Resources						
Unavailable Revenues:						
Property Taxes and Interest	653,980	-	-	-	-	653,980
Fund Balances						
Nonspendable	-	-	-	-	81,000	81,000
Restricted	-	-	1,393,148	-	65,752	1,458,900
Committed	250,694	754,820	-	-	76,648	1,082,162
Assigned	13,997	-	-	-	-	13,997
Unassigned	1,938,717	-	-	-	(7,222)	1,931,495
Total Fund Balances	<u>2,203,408</u>	<u>754,820</u>	<u>1,393,148</u>	<u>-</u>	<u>216,178</u>	<u>4,567,554</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,144,650</u>	<u>\$ 754,820</u>	<u>\$ 1,393,153</u>	<u>\$ 629,635</u>	<u>\$ 426,671</u>	<u>\$ 8,348,929</u>

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

TOWN OF ASHFORD, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2021

Fund balances reported in governmental funds Balance Sheet	\$ 4,567,554
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	22,416,028
<i>Depreciation</i>	(8,215,016)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
<i>Property taxes, interest and liens receivable greater than 60 days</i>	653,980
Deferred charges on refundings are not susceptible to accrual and therefore are not reported in the funds.	13,888
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accrued Interest Payable</i>	(8,400)
<i>Bonds Payable</i>	(780,000)
<i>Unamortized Bond Premium</i>	(85,307)
<i>Capital Leases Payable</i>	(26,064)
<i>Compensated Absences</i>	(50,467)
<i>OPEB Liability</i>	<u>(894,977)</u>
Net position of governmental activities	<u>\$ 17,591,219</u>

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

TOWN OF ASHFORD, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes, Interest and Lien Fees	\$ 11,361,665	\$ -	\$ -	\$ -	\$ -	\$ 11,361,665
Intergovernmental Revenues	4,762,116	209,291	-	-	647,748	5,619,155
Licenses, Permits, and Charges for Services	437,262	-	-	-	30,897	468,159
Investment Income	9,590	241	-	-	428	10,259
Other Revenue	46,062	-	-	-	310	46,372
Total Revenues	<u>16,616,695</u>	<u>209,532</u>	<u>-</u>	<u>-</u>	<u>679,383</u>	<u>17,505,610</u>
Expenditures						
Current:						
General Government	884,572	-	-	-	7,458	892,030
Public Safety	354,562	-	-	-	34,647	389,209
Public Works	992,632	-	-	-	-	992,632
Health and Welfare	49,303	-	-	-	79,773	129,076
Planning and Development	167,692	-	75,352	-	-	243,044
Education	12,755,373	-	-	-	665,291	13,420,664
Library	194,256	-	-	-	-	194,256
Recreation	-	-	-	-	94,776	94,776
Employee Benefits and Insurance	431,817	-	-	-	-	431,817
Debt Service:						
Principal Payments	225,000	23,078	-	-	-	248,078
Interest and Fiscal Charges	25,775	6,358	-	-	-	32,133
Capital Outlay	-	482,655	-	-	-	482,655
Total Expenditures	<u>16,080,982</u>	<u>512,091</u>	<u>75,352</u>	<u>-</u>	<u>881,945</u>	<u>17,550,370</u>
Excess/(Deficiency) of Revenues over Expenditures	535,713	(302,559)	(75,352)	-	(202,562)	(44,760)
Other Financing Sources/(Uses)						
Transfers In	-	417,253	-	-	125,914	543,167
Transfers Out	(543,167)	-	-	-	-	(543,167)
Total Other Financing Sources/(Uses)	<u>(543,167)</u>	<u>417,253</u>	<u>-</u>	<u>-</u>	<u>125,914</u>	<u>-</u>
Net Change in Fund Balances	(7,454)	114,694	(75,352)	-	(76,648)	(44,760)
Fund Balances at Beginning of Year	<u>2,210,862</u>	<u>640,126</u>	<u>1,468,500</u>	<u>-</u>	<u>292,826</u>	<u>4,612,314</u>
Fund Balances at End of Year	<u>\$ 2,203,408</u>	<u>\$ 754,820</u>	<u>\$ 1,393,148</u>	<u>\$ -</u>	<u>\$ 216,178</u>	<u>\$ 4,567,554</u>

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

TOWN OF ASHFORD, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (44,760)

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

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

<i>Capital outlay</i>	195,455
<i>Depreciation expense</i>	(476,590)

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

<i>Property taxes, interest and liens collected accrual basis change</i>	80,293
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Principal payments on long-term debt - general obligation bonds</i>	225,000
<i>Principal payments on long-term debt - capital leases</i>	23,078

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

<i>Accrued Interest</i>	2,531
<i>Amortization of Bond Premium</i>	7,663
<i>Amortization of Deferred Charges on Refunding</i>	(1,271)
<i>Compensated Absences</i>	2,903
<i>OPEB Liability</i>	<u>(106,768)</u>

Change in net position of governmental activities \$ (92,466)

TOWN OF ASHFORD, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	Pension Trust Fund	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and Cash Equivalents	\$ 667	\$ 30,287	\$ 37,630
Investments, at Fair Value			
Mutual Funds	1,520,628	55,966	-
Exchange-traded Funds	-	77,041	-
Employer Contributions Receivable	68,502	-	-
Other Receivables	-	-	200
Total Assets	<u>1,589,797</u>	<u>163,294</u>	<u>37,830</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Payables	-	-	4,434
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,434</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for Pension Benefits	1,589,797	-	-
Restricted for Scholarships	-	163,294	-
Restricted for Individuals and Organizations	-	-	33,396
Total Net Position	<u>\$ 1,589,797</u>	<u>\$ 163,294</u>	<u>\$ 33,396</u>

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

TOWN OF ASHFORD, CONNECTICUT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
Additions			
Contributions:			
Employer	\$ 68,502	\$ -	\$ -
Activity Fees	-	-	26,939
Investment Income:			
Net Appreciation/(Depreciation) in Fair Value of Investments	327,883	17,622	-
Interest and Dividends	<u>35,844</u>	<u>5,144</u>	<u>35</u>
Total Investment Income	363,727	22,766	35
Less: Investment Management Fees	<u>12,464</u>	<u>1,302</u>	<u>-</u>
Net Investment Income	<u>351,263</u>	<u>21,464</u>	<u>35</u>
Total Additions	<u>419,765</u>	<u>21,464</u>	<u>26,974</u>
Deductions			
Benefit Payments	198,613	-	-
Scholarships	-	4,000	-
Events and Activities	<u>-</u>	<u>-</u>	<u>43,099</u>
Total Deductions	<u>198,613</u>	<u>4,000</u>	<u>43,099</u>
Change in Net Position	221,152	17,464	(16,125)
Net Position at Beginning of Year, Restated	<u>1,368,645</u>	<u>145,830</u>	<u>49,521</u>
Net Position at End of Year	<u>\$ 1,589,797</u>	<u>\$ 163,294</u>	<u>\$ 33,396</u>

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Town was settled in 1714 and covers 39.5 square miles located in Windham County. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government. Under this form of government, the legislative power of the Town is with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

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

Related Organizations

The Town is a member of Regional School District No. 19 (the “District”), which is located in Mansfield, Connecticut. The District provides educational services for the grade 9 through 12 populations within its member towns. The activities of the District are primarily supported by assessments made to member towns. Assessments for the Town in the current fiscal year totaled \$3,901,532. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District’s outstanding bonds. The District is governed by an elected Board of Education and issues publicly available financial reports.

Government-Wide and Fund Financial Statements

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

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

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT

Notes to the Financial Statements

- The *Capital Nonrecurring Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.
- The *Small Cities Grant Program Fund* is used to account for program income received and federal grants used to fund the Town's Residential Rehabilitation Loan Program and costs associated with the Ashford Food Program.

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

- The *Pension Trust Fund* is used to account for the activities of the Town Employees' Retirement System, which accumulates resources for retirement benefit payments to qualified employees.
- The *Private Purpose Trust Fund* is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Town utilizes private purpose trust funds to account for activities of funds held in trust for student scholarships.
- The *Custodial Funds* account for resources held by the Town in a purely custodial capacity.

Estimates

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

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

Taxes Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$221,000. Property taxes are assessed as of October 1 and billed the following July. Real property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Loans Receivable - The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2021, loans receivable totaled \$1,282,907 under this program.

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

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred charges on refunding in the government-wide statement of net position, which resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

Fair Value of Financial Instruments

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

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

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

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

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository". The following is a summary of cash and cash equivalents at June 30, 2021.

	Governmental Funds	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 4,690,751	\$ 68,584	\$ 4,759,335
Restricted Cash	13,986	-	13,986
	\$ 4,704,737	\$ 68,584	\$ 4,773,321

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

Cash and Cash Equivalents	\$ 4,759,335
Less: Cash Equivalents (STIF)	(1,132,808)
Plus: Investments (CDs)	75,000
	\$ 3,701,527

At year-end, the Town's carrying amount of deposits subject to custodial credit risk was \$3,701,527 and the bank balance was \$3,924,578. Of the bank balance, the Federal Depository Insurance Corporation insured \$1,960,188.

As of June 30, 2021, \$1,964,390 of the Town's bank balance of \$3,924,578 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,674,476
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	289,914
Total	\$ 1,964,390

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Cash Equivalents

At June 30, 2021, the Town's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$1,132,808. STIF is rated AAAM by Standard and Poor's and has an average maturity of under 60 days.

Investments

The following is a summary of investments at June 30, 2021:

	Governmental Funds	Fiduciary Funds	Total
Certificates of Deposit	\$ 75,000	\$ -	\$ 75,000
Mutual Funds	-	1,576,594	1,576,594
Exchange-traded Funds	-	77,041	77,041
Total Investments	<u>\$ 75,000</u>	<u>\$ 1,653,635</u>	<u>\$ 1,728,635</u>

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

<u>Description</u>	June 30, 2021	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 1,576,594	\$ 1,576,594	\$ -	\$ -
Exchange-traded Funds	<u>77,041</u>	<u>77,041</u>	-	-
Total	1,653,635	<u>\$ 1,653,635</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	<u>75,000</u>			
Total Investments	<u>\$ 1,728,635</u>			

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2021, the Town had the following investments subject to interest rate risk:

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

NOTE 3 – RECEIVABLES

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

	General Fund	Small Cities Grant Program Fund	Nonmajor and Other Funds	Total
Receivables:				
Property Taxes	\$ 572,104	\$ -	\$ -	\$ 572,104
Interest, Liens, and Fees	358,148	-	-	358,148
Loans	-	1,282,907	-	1,282,907
Intergovernmental	-	-	36,097	36,097
Accounts	11,161	-	200	11,361
Gross Receivables	941,413	1,282,907	36,297	2,260,617
Less Allowance for Uncollectibles:				
Property Taxes	(90,000)	-	-	(90,000)
Interest, Liens, and Fees	(131,000)	-	-	(131,000)
Total Allowance	(221,000)	-	-	(221,000)
Net Total Receivables	\$ 720,413	\$ 1,282,907	\$ 36,297	\$ 2,039,617

The loans receivable of \$1,282,907 in the Small Cities Grant Program Fund are long-term receivables and not expected to be collected within one year.

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

	Governmental Funds
ARPA Grant Fund:	
Advances on Grants	\$ 629,635
Nonmajor Funds:	
Advances on Grants	72,400
Fees Collected in Advance	10,435
Total Unearned Revenue	\$ 712,470

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2021, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Capital Nonrecurring	\$ 625,945
General Fund	ARPA Grant Fund	629,635
General Fund	Nonmajor Governmental Funds	194,171
Nonmajor Governmental Funds	General Fund	74,847
Nonmajor Governmental Funds	Nonmajor Governmental Funds	2,092
		\$ 1,526,690

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2021, were as follows:

Transfers In:	Transfers Out:	Total
Capital Nonrecurring Fund	General Fund	\$ 417,253
Nonmajor Governmental Funds	General Fund	125,914
		\$ 543,167

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 5 – CAPITAL ASSETS

The following is a summary of the change in capital assets as of June 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital assets, not being depreciated				
Land and Land Development Rights	\$ 968,756	\$ -	\$ -	\$ 968,756
Total capital assets, not being depreciated	<u>968,756</u>	<u>-</u>	<u>-</u>	<u>968,756</u>
Capital assets, being depreciated				
Buildings and Improvements	14,554,770	-	-	14,554,770
Machinery, Equipment, and Vehicles	4,241,508	195,455	-	4,436,963
Infrastructure	<u>2,455,539</u>	<u>-</u>	<u>-</u>	<u>2,455,539</u>
Total capital assets, being depreciated	<u>21,251,817</u>	<u>195,455</u>	<u>-</u>	<u>21,447,272</u>
Less accumulated depreciation for:				
Buildings and Improvements	4,448,923	186,389	-	4,635,312
Machinery, Equipment, and Vehicles	2,478,168	218,038	-	2,696,206
Infrastructure	<u>811,335</u>	<u>72,163</u>	<u>-</u>	<u>883,498</u>
Total accumulated depreciation	<u>7,738,426</u>	<u>476,590</u>	<u>-</u>	<u>8,215,016</u>
Total capital assets, being depreciated, net	<u>13,513,391</u>	<u>(281,135)</u>	<u>-</u>	<u>13,232,256</u>
<i>Capital assets, net</i>	<u>\$ 14,482,147</u>	<u>\$ (281,135)</u>	<u>\$ -</u>	<u>\$ 14,201,012</u>

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

General Government	\$ 89,930
Public Safety	51,704
Public Works	108,052
Library	4,999
Recreation	8,339
Education	<u>213,566</u>
Total	<u>\$ 476,590</u>

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 1,005,000	\$ -	\$ 225,000	\$ 780,000	\$ 220,000
Unamortized Premium	<u>92,970</u>	<u>-</u>	<u>7,663</u>	<u>85,307</u>	<u>7,663</u>
Total Bonds Payable	1,097,970	-	232,663	865,307	227,663
Capital Leases	49,142	-	23,078	26,064	26,064
Compensated Absences	53,370	-	2,903	50,467	8,470
OPEB Liability	<u>788,209</u>	<u>106,768</u>	<u>-</u>	<u>894,977</u>	<u>-</u>
Total	<u>\$ 1,988,691</u>	<u>\$ 106,768</u>	<u>\$ 258,644</u>	<u>\$ 1,836,815</u>	<u>\$ 262,197</u>

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

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2021, consisted of the following:

Bond Issue	Year of Issue	Original Amount	Interest Rates	Final Maturity	Principal Outstanding June 30, 2021
General Obligation Refunding Bonds	2013	\$ 2,640,000	2 - 4%	2033	\$ 780,000

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

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 220,000	\$ 20,200	\$ 240,200
2023	220,000	15,800	235,800
2024	30,000	13,000	43,000
2025	30,000	11,800	41,800
2026	30,000	10,600	40,600
2027-2031	170,000	33,400	203,400
2032-2036	<u>80,000</u>	<u>3,200</u>	<u>83,200</u>
Total	<u>\$ 780,000</u>	<u>\$ 108,000</u>	<u>\$ 888,000</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2021 totaled \$25,775.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Shared Debt

The Town is contingently liable for its pro-rata share of Regional School District No. 19's (the "District") outstanding bonds. As of June 30, 2021, the District's total outstanding bonds and BANs were \$5,150,000, with 20.59%, or \$1,060,385 representing the Town's share. Regional School District No. 19 has \$6,850,000 of authorized, unissued bonds, for which the Town would be contingently liable.

Capital Leases

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	\$ 102,578
Less accumulated depreciation	(9,688)
Total	\$ 92,890

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

	Governmental Activities
Year ending June 30:	
2022	\$ 29,436
Less amount representing interest	(3,372)
Total	\$ 26,064

Compensated Absences

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 7 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ 81,000	\$ 81,000
Restricted for:					
Donor Restrictions	\$ -	\$ -	\$ -	\$ 10,683	\$ 10,683
Community Development Block Program	-	-	1,393,148	-	1,393,148
General Government	-	-	-	55,069	55,069
Total Restricted	\$ -	\$ -	\$ 1,393,148	\$ 65,752	\$ 1,458,900
Committed to:					
General Government	\$ 23,687	\$ -	\$ -	\$ 4,937	\$ 28,624
Public Works	5,730	-	-	-	5,730
Public Safety	-	-	-	22,227	22,227
Health and Welfare	-	-	-	18,025	18,025
Education	111,619	-	-	31,459	143,078
Library	109,658	-	-	-	109,658
Capital	-	754,820	-	-	754,820
Total Committed	\$ 250,694	\$ 754,820	\$ -	\$ 76,648	\$ 1,082,162
Assigned:					
Encumbrances:					
General Government	\$ 13,997	\$ -	\$ -	\$ -	\$ 13,997
Subsequent Budget	-	-	-	-	-
Total Assigned	\$ 13,997	\$ -	\$ -	\$ -	\$ 13,997
Unassigned:	\$ 1,938,717	\$ -	\$ -	\$ (7,222)	\$ 1,931,495

The Recreation Fund has a negative fund balance of \$7,222 which will be restored through future charges for services or transfers from the General Fund.

NOTE 8 – RETIREMENT BENEFITS

Defined Contribution Retirement Plan

The Town established a single employer defined contribution plan called the Town of Ashford MPP (the “Plan”) to provide retirement benefits for all of its full-time employees. Under provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 7% of employee covered payroll. Plan participants are not required to contribute to the plan. The Plan does not issue stand alone financial statements and is part of the Town’s financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund. Town contributions are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Employer contributions totaled \$68,502 for the year ended June 30, 2021.

TOWN OF ASHFORD, CONNECTICUT

Notes to the Financial Statements

Connecticut State Teacher's Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 165 Capital Avenue, Hartford, Connecticut 06106.

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

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989, and voluntary contributions are payable.

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

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

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

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

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2021 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$222,723. Covered payroll for the Town for the year ended June 30, 2021 was approximately \$3,281,019.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2021 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>13,736,915</u>
Total		<u>\$ 13,736,915</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2021, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2021, the Town recognized benefits expense and contribution revenue of \$881,111 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,967,748 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019. The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

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

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

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.00%
Emerging Market Intl. Stock Fund	9.00%	7.90%
Core Fixed Income Fund	16.00%	2.10%
Inflation Linked Bond Fund	5.00%	1.10%
Emerging Market Debt Fund	5.00%	2.70%
High Yield Bond Fund	6.00%	4.00%
Real Estate Fund	10.00%	4.50%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	2.90%
Liquidity Fund	1.00%	0.40%

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

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

Other Post-Employment Benefits

Plan Description: The Town's Board of Education administers a single-employer defined benefit healthcare plan (the "Plan"). The Plan provides healthcare and dental insurance benefits for all eligible Board of Education retirees and their spouses through the Board of Education's group healthcare and dental insurance plans. Benefits provisions are established by contract and may be amended by union negotiations each three-year bargaining period. The plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits Provided: The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees. Currently, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town pays the benefits on a pay-as-you-go basis.

Employees Covered by Benefit Terms: At June 30, 2021, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	4
Active participants	30
	34

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Total OPEB Liability: The Town's total OPEB liability of \$894,977 was measured as of June 30, 2021 and was determined using the Alternative Measurement Method (AMM).

Actuarial Assumptions and Other Inputs: The total OPEB liability as of June 30, 2021 was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.03% as of June 30, 2021
Healthcare Cost Trend Rates:	
Medical	4.90% decreasing to an ultimate rate of 4.30%
Prescription Drug	5.90% decreasing to an ultimate rate of 4.30%
Dental	3.50% decreasing to an ultimate rate of 3.00%
Vision	3.00%

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

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/20	\$ 788,209
Changes for the year:	
Service Cost	22,855
Interest	23,874
Effect of Economic/Demographic Gains/Losses	(4,533)
Changes of Assumptions and Differences Between Expected and Actual Experience	95,318
Benefit Payments	(30,746)
Net Changes	106,768
Balance at 6/30/21	\$ 894,977

Changes in assumptions included an increase in the discount rate from 2.02% to 2.03% and change in the mortality table.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.03%) or 1-percentage-point higher (3.03%) than the current discount rate:

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

	1% Decrease 1.03%	Current Discount Rate 2.03%	1% Increase 3.03%
Total OPEB Liability	\$ 1,011,711	\$ 894,977	\$ 796,952

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 776,940	\$ 894,977	\$ 1,037,861

Connecticut Teachers' Retirement System - OPEB

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

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut. Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the Plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

TOWN OF ASHFORD, CONNECTICUT
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School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$21,264.

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

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	2.21%
Prior Measurement Date	3.50%

The projected fiduciary net position is projected to be depleted in 2021.

Single equivalent interest rate

Measurement Date	3.21%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.50%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	5.125% for 2020 decreasing to an ultimate Rate of 4.50% by 2023
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Mortality rates were based on the PubT-2010 Health Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

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

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		2.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 1,674,070	\$ 2,048,861	\$ 2,567,403

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 2,501,737	\$ 2,048,861	\$ 1,696,711

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2021 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>2,048,861</u>
Total	<u>\$ 2,048,861</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2021, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$21,264 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$94,642 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During the year ended June 30, 2021, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering interlocal risk management program.

TOWN OF ASHFORD, CONNECTICUT

Notes to the Financial Statements

Workers Compensation Pool

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Liability-Automobile-Property Pool

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

NOTE 11 – LITIGATION AND CONTINGENCIES

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

Grants - The Town participates in several Federal and State assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2021 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 12 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

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

GASB Statement No. 87 – Leases - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

GASB Statement No. 91 – *Conduit Debt Obligations* – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 92 – *Omnibus 2020* – The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements in paragraphs 13 and 14 of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2021.

NOTE 13 – ADOPTION OF NEW ACCOUNTING STANDARD

During the fiscal year ended June 30, 2021, the Town adopted GASB Statement No. 84 – *Fiduciary Activities*. The effects of adopting this standard are below:

	Custodial Funds
Net position as previously reported at June 30, 2020	\$ -
To reclassify funds as a result of the implementation of GASB 84	49,521
Net position as restated at July 1, 2020	\$ 49,521

**Required
Supplementary
Information**

TOWN OF ASHFORD, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Revenues				
Property Taxes	\$ 11,218,082	\$ 11,218,082	\$ 11,361,665	\$ 143,583
Intergovernmental	3,687,349	3,687,349	3,704,262	16,913
Charges for Services	132,860	132,860	191,761	58,901
Investment Income	50,000	50,000	9,588	(40,412)
Other	18,716	18,716	27,162	8,446
Total Revenues	<u>15,107,007</u>	<u>15,107,007</u>	<u>15,294,438</u>	<u>187,431</u>
Expenditures				
Current:				
General Government	899,997	923,200	866,877	(56,323)
Public Safety	28,205	28,205	25,529	(2,676)
Public Works	950,502	950,502	944,879	(5,623)
Health and Welfare	53,439	53,439	49,303	(4,136)
Planning and Development	169,560	174,690	167,692	(6,998)
Education	7,768,893	7,768,893	7,594,017	(174,876)
Education - Regional School District No. 19	3,901,532	3,901,532	3,901,532	-
Employee Benefits and Insurance	472,394	444,061	431,817	(12,244)
Debt Service:				
Principal Payments	225,000	225,000	225,000	-
Interest and Fiscal Charges	25,775	25,775	25,775	-
Total Expenditures	<u>14,495,297</u>	<u>14,495,297</u>	<u>14,232,421</u>	<u>(262,876)</u>
Excess of Revenues Over Expenditures	611,710	611,710	1,062,017	450,307
Other Financing Sources (Uses)				
Transfers Out	(611,710)	(1,028,963)	(1,028,963)	-
Appropriation of Fund Balance	-	417,253	-	(417,253)
Total Other Financing Sources (Uses)	<u>(611,710)</u>	<u>(611,710)</u>	<u>(1,028,963)</u>	<u>(417,253)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,054</u>	<u>\$ 33,054</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Property Taxes				
Current Year	\$ 11,016,007	\$ 11,016,007	\$ 10,981,597	\$ (34,410)
Prior Year	83,000	83,000	140,284	57,284
Interest and Lien Fees	44,000	44,000	124,954	80,954
Supplemental Motor Vehicle Taxes	75,000	75,000	114,514	39,514
Miscellaneous	75	75	316	241
Total Property Taxes	<u>11,218,082</u>	<u>11,218,082</u>	<u>11,361,665</u>	<u>143,583</u>
Intergovernmental				
Education Cost Sharing Assistance	3,459,062	3,459,062	3,476,901	17,839
Miscellaneous Grants	48,080	48,080	54,189	6,109
Town Aid Road Grant	146,768	146,768	147,265	497
Mohegan - Pequot Grant	12,010	12,010	12,010	-
Payment in Lieu of Taxes - AHA	10,000	10,000	-	(10,000)
Payment in Lieu of Taxes	2,817	2,817	2,817	-
Payment in Lieu of Taxes - Other	8,059	8,059	8,059	-
Tax Relief for Veteran Exemptions	-	-	1,952	1,952
Tax Relief for Disability Exemptions	-	-	1,069	1,069
Miscellaneous	553	553	-	(553)
Total Intergovernmental	<u>3,687,349</u>	<u>3,687,349</u>	<u>3,704,262</u>	<u>16,913</u>
Charges for Services				
Building Licenses and Permits	46,500	46,500	61,216	14,716
Conveyance Tax	29,000	29,000	62,814	33,814
Recording Fees	16,000	16,000	31,190	15,190
Newsletters	10,160	10,160	6,566	(3,594)
BOE - Bus Garage Usage	6,000	6,000	6,000	-
Open Space Recapture Tax	6,000	6,000	4,051	(1,949)
Copies of Records	5,000	5,000	5,735	735
Miscellaneous	4,000	4,000	4,645	645
Zoning Permits	3,600	3,600	3,902	302
Senior Center Program Revenue	2,700	2,700	1,449	(1,251)
Recycling and Transfer Station	2,400	2,400	2,577	177
Wetlands Permits	750	750	894	144
Dog Licenses	500	500	495	(5)
Marriage Licenses	150	150	224	74
Hunting and Fishing Licenses	100	100	3	(97)
Total Charges for Services	<u>132,860</u>	<u>132,860</u>	<u>191,761</u>	<u>58,901</u>
Investment Income	<u>50,000</u>	<u>50,000</u>	<u>9,588</u>	<u>(40,412)</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
 Schedule of Revenues and Other Financing Sources
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
Other Revenues				
Miscellaneous	\$ 11,000	\$ 11,000	\$ 11,394	\$ 394
Telephone Access Line	7,216	7,216	6,768	(448)
Proceeds from Sales of Assets	500	500	-	(500)
Encumbrance Credits	-	-	9,000	9,000
Total Other Revenues	<u>18,716</u>	<u>18,716</u>	<u>27,162</u>	<u>8,446</u>
Total Revenues	<u>15,107,007</u>	<u>15,107,007</u>	<u>15,294,438</u>	<u>187,431</u>
Other Financing Sources				
Appropriation of Fund Balance	-	417,253	-	(417,253)
Total Other Financing Sources	<u>-</u>	<u>417,253</u>	<u>-</u>	<u>(417,253)</u>
Total Revenues and Other Financing Sources	<u>\$ 15,107,007</u>	<u>\$ 15,524,260</u>	<u>\$ 15,294,438</u>	<u>\$ (229,822)</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
General Government				
Board of Selectmen:				
Salaries and Wages	\$ 131,812	\$ 127,412	\$ 120,552	\$ 6,860
Purchased Services	29,695	29,695	26,633	3,062
Supplies and Materials	1,000	1,000	1,049	(49)
Other	510	510	748	(238)
Total Board of Selectmen	<u>163,017</u>	<u>158,617</u>	<u>148,982</u>	<u>9,635</u>
Town Counsel:				
Professional and Tech Services	<u>32,000</u>	<u>48,500</u>	<u>48,488</u>	<u>12</u>
Data Processing and Tech Services	<u>40,319</u>	<u>40,319</u>	<u>39,919</u>	<u>400</u>
Knowlton Hall Operations and Maintenance:				
Property Services	15,325	15,325	6,508	8,817
Purchased Services	6,450	6,450	6,027	423
Supplies and Materials	7,500	7,500	8,140	(640)
Total Knowlton Hall Operations and Maintenance	<u>29,275</u>	<u>29,275</u>	<u>20,675</u>	<u>8,600</u>
Town Hall Operations and Maintenance:				
Property Services	23,850	29,250	29,281	(31)
Purchased Services	16,500	16,500	16,927	(427)
Supplies and Materials	7,605	7,605	7,059	546
Total Town Hall Operations and Maintenance	<u>47,955</u>	<u>53,355</u>	<u>53,267</u>	<u>88</u>
Town Property Operations and Maintenance:				
Salaries and Wages	8,427	3,065	75	2,990
Property Services	13,100	13,100	10,216	2,884
Purchased Services	750	750	-	750
Supplies and Materials	1,250	1,250	1,486	(236)
Total Town Property Operations and Maintenance	<u>23,527</u>	<u>18,165</u>	<u>11,777</u>	<u>6,388</u>
Earl Smith Senior Center:				
Salaries and Wages	24,098	24,098	23,987	111
Property Services	8,600	8,600	6,070	2,530
Purchased Services	8,240	8,240	6,087	2,153
Supplies and Materials	15,800	15,800	11,327	4,473
Equipment	260	260	-	260
Total Earl Smith Senior Center	<u>56,998</u>	<u>56,998</u>	<u>47,471</u>	<u>9,527</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
 Schedule of Expenditures and Other Financing Uses
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government (Continued)				
Board of Finance:				
Salaries and Wages	\$ 1,840	\$ 1,840	\$ 1,040	\$ 800
Professional and Tech Services	24,010	24,010	18,590	5,420
Purchased Services	850	850	469	381
Supplies and Materials	250	250	26	224
Total Board of Finance	<u>26,950</u>	<u>26,950</u>	<u>20,125</u>	<u>6,825</u>
Assessors Office:				
Salaries and Wages	63,395	63,395	63,045	350
Purchased Services	17,040	17,455	17,729	(274)
Supplies and Materials	1,700	1,700	1,673	27
Total Assessors Office	<u>82,135</u>	<u>82,550</u>	<u>82,447</u>	<u>103</u>
Board of Assessment Appeals:				
Salaries and Wages	1,340	1,340	1,340	-
Purchased Services	360	360	62	298
Total Board of Assessment Appeals	<u>1,700</u>	<u>1,700</u>	<u>1,402</u>	<u>298</u>
Tax Collector:				
Salaries and Wages	70,955	70,955	63,135	7,820
Property Services	415	415	-	415
Purchased Services	8,805	8,805	8,925	(120)
Supplies and Materials	4,950	4,950	2,917	2,033
Other	300	300	250	50
Total Tax Collector	<u>85,425</u>	<u>85,425</u>	<u>75,227</u>	<u>10,198</u>
Finance Department:				
Salaries and Wages	121,054	121,054	121,054	-
Professional and Tech Services	2,000	2,000	1,840	160
Purchased Services	18,378	18,528	18,942	(414)
Supplies and Materials	4,450	4,450	4,187	263
Total Finance Department	<u>145,882</u>	<u>146,032</u>	<u>146,023</u>	<u>9</u>
Town Clerk:				
Salaries and Wages	107,570	107,570	107,491	79
Property Services	2,600	2,600	2,286	314
Purchased Services	19,605	19,605	12,913	6,692
Supplies and Materials	3,400	3,400	6,274	(2,874)
Total Town Clerk	<u>133,175</u>	<u>133,175</u>	<u>128,964</u>	<u>4,211</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government (Continued)				
Town Election Expense:				
Salaries and Wages	\$ 23,675	\$ 32,575	\$ 31,906	\$ 669
Professional and Tech Services	2,827	2,827	2,640	187
Purchased Services	2,120	2,120	405	1,715
Supplies and Materials	3,017	4,617	7,159	(2,542)
Total Town Election Expense	<u>31,639</u>	<u>42,139</u>	<u>42,110</u>	<u>29</u>
Total General Government	<u>899,997</u>	<u>923,200</u>	<u>866,877</u>	<u>56,323</u>
Public Safety				
Salaries and Wages	14,050	14,050	14,050	-
Professional and Tech Services	200	200	100	100
Property Services	2,660	2,660	2,070	590
Purchased Services	11,185	11,185	9,209	1,976
Supplies and Materials	100	100	100	-
Equipment	10	10	-	10
Total Public Safety	<u>28,205</u>	<u>28,205</u>	<u>25,529</u>	<u>2,676</u>
Public Works				
Public Works Administration:				
Salaries and Wages	400,550	400,550	376,860	23,690
Purchased Services	900	900	255	645
Supplies and Materials	3,000	3,000	2,349	651
Total Public Works Administration	<u>404,450</u>	<u>404,450</u>	<u>379,464</u>	<u>24,986</u>
Roads and Bridges:				
Property Services	10,000	10,000	5,793	4,207
Supplies and Materials	139,500	122,500	147,081	(24,581)
Total Roads and Bridges	<u>149,500</u>	<u>132,500</u>	<u>152,874</u>	<u>(20,374)</u>
Building, Maintenance and Repair:				
Property Services	11,600	11,600	10,329	1,271
Purchased Services	5,400	5,400	5,253	147
Supplies and Materials	10,000	10,000	16,798	(6,798)
Total Building, Maintenance and Repair	<u>27,000</u>	<u>27,000</u>	<u>32,380</u>	<u>(5,380)</u>
Maintenance of Equipment:				
Property Services	10,500	10,500	4,303	6,197
Supplies and Materials	79,500	79,500	79,361	139
Total Maintenance of Equipment	<u>90,000</u>	<u>90,000</u>	<u>83,664</u>	<u>6,336</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Public Works (Continued)				
Recycling Center:				
Salaries and Wages	\$ 75,478	\$ 75,478	\$ 70,832	\$ 4,646
Professional and Tech Services	1,500	1,500	30	1,470
Property Services	196,424	213,424	223,543	(10,119)
Purchased Services	650	650	618	32
Supplies and Materials	3,000	3,000	674	2,326
Other	2,500	2,500	800	1,700
Total Recycling Center	<u>279,552</u>	<u>296,552</u>	<u>296,497</u>	<u>55</u>
Total Public Works	<u>950,502</u>	<u>950,502</u>	<u>944,879</u>	<u>5,623</u>
Health & Welfare				
Agent for the Elderly	7,430	7,430	6,450	980
Commission on Aging	700	700	-	700
Contributions to Other Agencies	45,309	45,309	42,853	2,456
Total Health & Welfare	<u>53,439</u>	<u>53,439</u>	<u>49,303</u>	<u>4,136</u>
Planning and Development				
Planning and Zoning:				
Salaries and Wages	1,155	1,155	720	435
Professional and Tech Services	48,000	48,780	48,780	-
Purchased Services	300	300	110	190
Supplies and Materials	1,900	1,900	2,039	(139)
Total Planning and Zoning	<u>51,355</u>	<u>52,135</u>	<u>51,649</u>	<u>486</u>
Zoning Board of Appeals:				
Purchased Services	<u>1,115</u>	<u>1,115</u>	<u>477</u>	<u>638</u>
Inland Wetlands:				
Salaries and Wages	510	510	160	350
Professional and Tech Services	10,000	14,060	14,745	(685)
Purchased Services	200	200	80	120
Supplies and Materials	950	950	728	222
Total Inland Wetlands	<u>11,660</u>	<u>15,720</u>	<u>15,713</u>	<u>7</u>
Conservation Commission:				
Purchased Services	1,600	1,600	687	913
Supplies and Materials	550	550	255	295
Total Conservation Commission	<u>2,150</u>	<u>2,150</u>	<u>942</u>	<u>1,208</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Planning and Development (Continued)				
Building Department:				
Salaries and Wages	\$ 50,871	\$ 50,871	\$ 42,261	\$ 8,610
Professional and Tech Services	32,000	32,000	36,612	(4,612)
Purchased Services	50	50	-	50
Supplies and Materials	2,740	1,960	1,594	366
Total Building Department	<u>85,661</u>	<u>84,881</u>	<u>80,467</u>	<u>4,414</u>
Economic Development:				
Professional and Tech Services	1,200	1,200	1,710	(510)
Purchased Services	250	250	25	225
Supplies and Materials	500	500	-	500
Total Economic Development	<u>1,950</u>	<u>1,950</u>	<u>1,735</u>	<u>215</u>
Water Pollution Control:				
Purchased Services	10	10	-	10
Supplies and Materials	10	10	-	10
Equipment	-	-	-	-
Total Water Pollution Control	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>
Sexton:				
Salaries and Wages	3,200	3,200	3,200	-
Purchased Services	10,149	10,149	9,609	540
Supplies and Materials	2,300	3,370	3,900	(530)
Total Sexton	<u>15,649</u>	<u>16,719</u>	<u>16,709</u>	<u>10</u>
Total Planning and Development	<u>169,560</u>	<u>174,690</u>	<u>167,692</u>	<u>6,998</u>
Education				
Ashford Board of Education:				
Certified Staff	3,270,688	3,192,600	3,192,600	-
Non-Certified Staff	1,664,774	1,561,128	1,561,128	-
Insurance	1,300,063	1,238,474	1,215,645	22,829
Payroll Taxes and Benefits	424,310	377,198	377,198	-
Instructional Improvement	22,395	11,103	11,103	-
Professional Services	263,304	289,130	289,130	-
Utilities	131,585	123,603	123,603	-
Maintenance	107,822	165,693	165,693	-
Equipment Maintenance	2,300	99	99	-
Other Insurances	42,769	54,626	54,626	-
Transportation	1,279	-	-	-

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Education (Continued)				
Communication	\$ 34,098	\$ 23,545	\$ 23,545	\$ -
Outside Services	266,511	248,879	96,832	152,047
Facility Usage	3,600	3,600	3,600	-
Supplies	138,292	224,904	224,904	-
Fuel	40,398	22,746	22,746	-
Books & Periodical	2,876	1,156	1,156	-
Equipment	35,355	216,836	216,836	-
Dues & Fees	15,974	13,573	13,573	-
Miscellaneous	500	-	-	-
Total Ashford Board of Education	<u>7,768,893</u>	<u>7,768,893</u>	<u>7,594,017</u>	<u>174,876</u>
Regional School District No. 19	<u>3,901,532</u>	<u>3,901,532</u>	<u>3,901,532</u>	<u>-</u>
Total Education	<u>11,670,425</u>	<u>11,670,425</u>	<u>11,495,549</u>	<u>174,876</u>
Other				
Employee Benefits	409,594	409,594	397,351	12,243
Insurance	32,800	34,467	34,466	1
Contingency	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other	<u>472,394</u>	<u>444,061</u>	<u>431,817</u>	<u>12,244</u>
Debt Service				
Principal	225,000	225,000	225,000	-
Interest	<u>25,775</u>	<u>25,775</u>	<u>25,775</u>	<u>-</u>
Total Debt Service	<u>250,775</u>	<u>250,775</u>	<u>250,775</u>	<u>-</u>
Total Expenditures	<u>14,495,297</u>	<u>14,495,297</u>	<u>14,232,421</u>	<u>262,876</u>
Other Financing Uses				
Transfers Out:				
Animal Fund	14,860	14,860	14,860	-
Babcock Library Fund	175,000	175,000	175,000	-
Recreation Fund	79,306	79,306	79,306	-
Youth Services Fund	31,748	31,748	31,748	-
Volunteer Fire & Ambulance Fund	310,796	310,796	310,796	-
Capital Nonrecurring Fund	<u>-</u>	<u>417,253</u>	<u>417,253</u>	<u>-</u>
Total Other Financing Uses	<u>611,710</u>	<u>1,028,963</u>	<u>1,028,963</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 15,107,007</u>	<u>\$ 15,524,260</u>	<u>\$ 15,261,384</u>	<u>\$ 262,876</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Notes to Required Supplementary Information

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements in accordance with provisions of Connecticut General Statutes and annually adopted budget policies.

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- The Board of Selectmen presents a budget message, estimates of revenues and expenditures and justifications to the Board of Finance for all Town-supported functions. The Board of Education presents estimates of revenues and expenditures and justifications to the Board of Finance for all local education functions.
- The Region 19 Board of Education presents the proposed Region 19 budget to the Board of Finance. A separate public hearing and referendum for the Region 19 budget are administered by the Region 19 Board of Education.
- The Board of Finance holds at least one public hearing on the proposed budget. The Board of Finance may review the budget requests with the head of each department, board, agency and commission including the local Board of Education. The Board of Finance then prepares a budget to be presented by the Board of Finance and may approve or lower the General Government, Ashford Board of Education and/or Capital Projects budgets. The Region 19 budget cannot be approved or lowered during this meeting as it is subject to a separate Region 19 referendum. The Annual Budget meeting will adjourn to referendum.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level. Transfers of budgeted amounts between departments must be approved by the Board of Finance. Management may transfer amounts between line items within a department. Additional appropriation requests are submitted by the department heads to the Board of Selectmen. The Board of Selectmen acts on the requests, which, if approved are sent to the Board of Finance. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000 or are not a second request for an appropriation by the asking board, commission or department. Appropriations in excess of the amount which the Board of Finance may approve or a second request by the requesting board, commission or department, must also be approved by vote of a Town Meeting. During the year ended June 30, 2021, additional appropriations from fund balance totaled \$367,638. There was also a transfer to capital nonrecurring of \$49,615 which was an insurance reimbursement previously received.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures in the current year.

TOWN OF ASHFORD, CONNECTICUT
Notes to Required Supplementary Information

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

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

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2021:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 15,294,438	\$ 14,232,421	\$ (1,028,963)
"On-behalf" payments - State Teachers Retirement Fund	902,375	902,375	-
Excess Cost Grant	94,627	94,627	-
Babcock Library Fund	73,501	194,256	175,000
Adjustment for Encumbrances	(9,000)	80,877	-
Other Funds	-	4,876	-
Reclassifications for GAAP Purposes	<u>260,754</u>	<u>571,550</u>	<u>310,796</u>
GAAP Basis	<u>\$ 16,616,695</u>	<u>\$ 16,080,982</u>	<u>\$ (543,167)</u>

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

Schedule of Proportionate Share of Net Pension Liability

	2021	2020	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>13,736,915</u>	<u>13,062,008</u>	<u>10,071,567</u>	<u>10,347,614</u>	<u>10,916,812</u>	<u>8,249,096</u>	<u>7,624,636</u>
Total	<u>\$ 13,736,915</u>	<u>\$ 13,062,008</u>	<u>\$ 10,071,567</u>	<u>\$ 10,347,614</u>	<u>\$ 10,916,812</u>	<u>\$ 8,249,096</u>	<u>\$ 7,624,636</u>
Town's covered payroll	<u>\$ 3,281,019</u>	<u>\$ 3,118,980</u>	<u>\$ 3,087,091</u>	<u>\$ 2,985,239</u>	<u>\$ 3,059,000</u>	<u>\$ 3,017,503</u>	<u>\$ 2,841,462</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

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

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

See accountant's report.

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

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 22,855	\$ 5,544	\$ 2,800	\$ 21,721
Interest	23,874	11,017	30,157	19,881
Effect of Economic/Demographic Gains/Losses	(4,533)	337,597	(416,393)	-
Differences Between Expected and Actual Experience				
Including Assumption Changes	95,318	86,017	24,681	(57,235)
Benefit Payments, Including Refunds of Member Contributions	<u>(30,746)</u>	<u>(27,139)</u>	<u>(34,043)</u>	<u>(32,383)</u>
Net Change in Total OPEB Liability	106,768	413,036	(392,798)	(48,016)
Total OPEB Liability - Beginning	<u>788,209</u>	<u>375,173</u>	<u>767,971</u>	<u>815,987</u>
Total OPEB Liability - Ending	<u>\$ 894,977</u>	<u>\$ 788,209</u>	<u>\$ 375,173</u>	<u>\$ 767,971</u>

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

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

Notes to Schedule

Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Discount Rate	2.03%
Salary Increases	1.70%

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net OPEB Liability
 Last Four Fiscal Years*

Schedule of Proportionate Share of Net OPEB Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>2,048,861</u>	<u>2,037,095</u>	<u>2,013,400</u>	<u>2,663,365</u>
Total	<u>\$ 2,048,861</u>	<u>\$ 2,037,095</u>	<u>\$ 2,013,400</u>	<u>\$ 2,663,365</u>
Town's covered payroll	<u>\$ 3,281,019</u>	<u>\$ 3,118,980</u>	<u>\$ 3,087,091</u>	<u>\$ 2,985,239</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

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

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over a closed period
Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.50%

See accountant's report.

**Supplemental, Combining
and Individual Fund
Statements and Schedules**

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet

General Fund

June 30, 2021

	General Fund	Babcock Library Fund	Knowlton Hall Fund	300th Anniversary Fund	Miscellaneous Special Funds	Town Aid Road Fund	Building Fund	Contractor Bond Fund	Board of Education Non-lapsing Fund	Eliminations	Total
Assets											
Cash and Cash Equivalents	\$ 4,219,434	\$ 111,837	\$ 673	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ 4,334,944
Restricted Cash	-	-	-	-	-	-	-	13,986	-	-	13,986
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, Net of Allowance	720,413	-	-	-	-	-	-	-	-	-	720,413
Other	-	460	-	-	-	-	-	-	-	-	460
Due from Other Funds	78,293	-	-	13,492	9,668	24,730	500	-	145,619	(197,455)	74,847
Total Assets	\$ 5,018,140	\$ 112,297	\$ 673	\$ 13,492	\$ 9,668	\$ 24,730	\$ 500	\$ 16,986	\$ 145,619	\$ (197,455)	\$ 5,144,650
Liabilities											
Accounts Payable and Accrued Items	\$ 820,686	\$ 2,639	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 823,525
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-
Performance Bonds	-	-	-	-	-	-	-	13,986	-	-	13,986
Due to Other Funds	1,590,760	-	-	446	-	19,000	-	3,000	34,000	(197,455)	1,449,751
Total Liabilities	2,411,446	2,639	-	646	-	19,000	-	16,986	34,000	(197,455)	2,287,262
Deferred Inflows of Resources											
Unavailable Revenues:											
Property Taxes and Interest	653,980	-	-	-	-	-	-	-	-	-	653,980
Fund Balances											
Committed	-	109,658	673	12,846	9,668	5,730	500	-	111,619	-	250,694
Assigned	13,997	-	-	-	-	-	-	-	-	-	13,997
Unassigned	1,938,717	-	-	-	-	-	-	-	-	-	1,938,717
Total Fund Balances	1,952,714	109,658	673	12,846	9,668	5,730	500	-	111,619	-	2,203,408
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,018,140	\$ 112,297	\$ 673	\$ 13,492	\$ 9,668	\$ 24,730	\$ 500	\$ 16,986	\$ 145,619	\$ (197,455)	\$ 5,144,650

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2021

	General Fund	Babcock Library Fund	Knowlton Hall Fund	300th Anniversary Fund	Miscellaneous Special Funds	Town Aid Road Fund	Building Fund	Board of Education Non-lapsing Fund	Eliminations	Total
Revenues										
Property Taxes, Interest and Lien Fees	\$ 11,361,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,361,665
Intergovernmental	4,717,363	44,753	-	-	-	-	-	-	-	4,762,116
Licenses, Permits, and Charges for Services	436,416	846	-	-	-	-	-	-	-	437,262
Investment Income	9,588	2	-	-	-	-	-	-	-	9,590
Other	18,162	27,900	-	-	-	-	-	-	-	46,062
Total Revenues	<u>16,543,194</u>	<u>73,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,616,695</u>
Expenditures										
Current:										
General Government	884,572	-	-	-	-	-	-	-	-	884,572
Public Safety	354,562	-	-	-	-	-	-	-	-	354,562
Public Works	992,632	-	-	-	-	-	-	-	-	992,632
Health and Welfare	49,303	-	-	-	-	-	-	-	-	49,303
Planning and Development	167,692	-	-	-	-	-	-	-	-	167,692
Education	12,750,497	-	-	-	-	-	-	4,876	-	12,755,373
Library	-	194,256	-	-	-	-	-	-	-	194,256
Employee Benefits and Insurance	431,817	-	-	-	-	-	-	-	-	431,817
Debt Service:										
Principal Payments	225,000	-	-	-	-	-	-	-	-	225,000
Interest and Fiscal Charges	25,775	-	-	-	-	-	-	-	-	25,775
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>15,881,850</u>	<u>194,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,876</u>	<u>-</u>	<u>16,080,982</u>
Excess/(Deficiency) of Revenues over Expenditures	661,344	(120,755)	-	-	-	-	-	(4,876)	-	535,713
Other Financing Sources/(Uses)										
Transfers In	-	175,000	-	-	-	-	-	59,485	(234,485)	-
Transfers Out	(777,652)	-	-	-	-	-	-	-	234,485	(543,167)
Total Other Financing Sources/(Uses)	<u>(777,652)</u>	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,485</u>	<u>-</u>	<u>(543,167)</u>
Net Change in Fund Balances	(116,308)	54,245	-	-	-	-	-	54,609	-	(7,454)
Fund Balances at Beginning of Year	<u>2,069,022</u>	<u>55,413</u>	<u>673</u>	<u>12,846</u>	<u>9,668</u>	<u>5,730</u>	<u>500</u>	<u>57,010</u>	<u>-</u>	<u>2,210,862</u>
Fund Balances at End of Year	<u>\$ 1,952,714</u>	<u>\$ 109,658</u>	<u>\$ 673</u>	<u>\$ 12,846</u>	<u>\$ 9,668</u>	<u>\$ 5,730</u>	<u>\$ 500</u>	<u>\$ 111,619</u>	<u>\$ -</u>	<u>\$ 2,203,408</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2021

	SPECIAL REVENUE FUNDS				
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund
Assets					
Cash and Cash Equivalents	\$ -	\$ 72,882	\$ -	\$ 17,996	\$ -
Investments	-	-	-	-	-
Receivables, Net	-	32,898	3,199	-	-
Other	-	2,625	-	-	-
Due from Other Funds	25,893	-	100,079	4,100	4,908
Total Assets	\$ 25,893	\$ 108,405	\$ 103,278	\$ 22,096	\$ 4,908
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Items	\$ 3,666	\$ 6,107	\$ 30,878	\$ -	\$ 4,720
Unearned Revenue	-	5,117	72,400	-	5,318
Due to Other Funds	-	65,722	-	-	2,092
Total Liabilities	3,666	76,946	103,278	-	12,130
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	22,096	-
Committed	22,227	31,459	-	-	-
Unassigned	-	-	-	-	(7,222)
Total Fund Balances	22,227	31,459	-	22,096	(7,222)
Total Liabilities and Fund Balances	\$ 25,893	\$ 108,405	\$ 103,278	\$ 22,096	\$ 4,908

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	SPECIAL REVENUE FUNDS			PERMANENT FUNDS		Total
	AYSB Fund	Town Clerk Special Fund	Veterans Memorial Fund	Band and Library Fund	Cemetery Fund	
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 6,355	\$ 19,453	\$ 116,686
Investments	-	-	-	-	75,000	75,000
Receivables, Net	-	-	-	-	-	36,097
Other	-	-	-	-	-	2,625
Due from Other Funds	23,373	32,973	4,937	-	-	196,263
Total Assets	\$ 23,373	\$ 32,973	\$ 4,937	\$ 6,355	\$ 94,453	\$ 426,671
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Items	\$ 5,348	\$ -	\$ -	\$ -	\$ -	\$ 50,719
Unearned Revenue	-	-	-	-	-	82,835
Due to Other Funds	-	-	-	-	9,125	76,939
Total Liabilities	5,348	-	-	-	9,125	210,493
Fund Balances:						
Nonspendable	-	-	-	6,000	75,000	81,000
Restricted	-	32,973	-	355	10,328	65,752
Committed	18,025	-	4,937	-	-	76,648
Unassigned	-	-	-	-	-	(7,222)
Total Fund Balances	18,025	32,973	4,937	6,355	85,328	216,178
Total Liabilities and Fund Balances	\$ 23,373	\$ 32,973	\$ 4,937	\$ 6,355	\$ 94,453	\$ 426,671

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	SPECIAL REVENUE FUNDS				
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund
Revenues					
Intergovernmental Revenues	\$ -	\$ 150,341	\$ 472,050	\$ 5,500	\$ -
Licenses, Permits and Charges for Services	4,431	10,398	-	3,010	5,007
Investment Income	-	-	-	33	-
Other Revenue	10	-	-	-	-
Total Revenues	<u>4,441</u>	<u>160,739</u>	<u>472,050</u>	<u>8,543</u>	<u>5,007</u>
Expenditures					
Current:					
General Government	-	-	-	7,458	-
Public Safety	34,647	-	-	-	-
Health and Welfare	-	-	-	-	-
Recreation	-	-	-	-	94,776
Education	-	193,241	472,050	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>34,647</u>	<u>193,241</u>	<u>472,050</u>	<u>7,458</u>	<u>94,776</u>
Excess/(Deficiency) of Revenues Over Expenditures	(30,206)	(32,502)	-	1,085	(89,769)
Other Financing Sources/(Uses)					
Transfers In	14,860	-	-	-	79,306
Transfers Out	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>14,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,306</u>
Net Change in Fund Balances	(15,346)	(32,502)	-	1,085	(10,463)
Fund Balances at Beginning of Year	<u>37,573</u>	<u>63,961</u>	<u>-</u>	<u>21,011</u>	<u>3,241</u>
Fund Balances at End of Year	<u>\$ 22,227</u>	<u>\$ 31,459</u>	<u>\$ -</u>	<u>\$ 22,096</u>	<u>\$ (7,222)</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	SPECIAL REVENUE FUNDS			PERMANENT FUNDS		Total
	AYSB Fund	Town Clerk Special Fund	Veterans Memorial Fund	Band and Library Fund	Cemetery Fund	
Revenues						
Intergovernmental Revenues	\$ 19,857	\$ -	\$ -	\$ -	\$ -	\$ 647,748
Licenses, Permits and Charges for Services	6,311	1,740	-	-	-	30,897
Investment Income	-	-	-	12	383	428
Other Revenue	-	-	-	-	300	310
Total Revenues	26,168	1,740	-	12	683	679,383
Expenditures						
Current:						
General Government	-	-	-	-	-	7,458
Public Safety	-	-	-	-	-	34,647
Health and Welfare	79,773	-	-	-	-	79,773
Recreation	-	-	-	-	-	94,776
Education	-	-	-	-	-	665,291
Capital Outlay	-	-	-	-	-	-
Total Expenditures	79,773	-	-	-	-	881,945
Excess/(Deficiency) of Revenues Over Expenditures	(53,605)	1,740	-	12	683	(202,562)
Other Financing Sources/(Uses)						
Transfers In	31,748	-	-	-	-	125,914
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	31,748	-	-	-	-	125,914
Net Change in Fund Balances	(21,857)	1,740	-	12	683	(76,648)
Fund Balances at Beginning of Year	39,882	31,233	4,937	6,343	84,645	292,826
Fund Balances at End of Year	\$ 18,025	\$ 32,973	\$ 4,937	\$ 6,355	\$ 85,328	\$ 216,178

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Schedule of Debt Limitation

June 30, 2021

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year	\$10,829,655
Reimbursement for Revenue Loss on:	
Tax Relief for Elderly - Prior Fiscal Year	-
Base	<u>\$ 10,829,655</u>

	General Purposes (2.25 x base)	Schools (4.50 x base)	Sewers (3.75 x base)	Urban Renewal (3.25 x base)	Pension Deficit (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 24,366,724</u>	<u>\$ 48,733,448</u>	<u>\$ 40,611,206</u>	<u>\$ 35,196,379</u>	<u>\$ 32,488,965</u>
Indebtedness:					
Bonds Payable	780,000	-	-	-	-
** Bonds Payable, net - Regional					
School District No. 19	-	1,060,385	-	-	-
Total Indebtedness	<u>780,000</u>	<u>1,060,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 23,586,724</u>	<u>\$ 47,673,063</u>	<u>\$ 40,611,206</u>	<u>\$ 35,196,379</u>	<u>\$ 32,488,965</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$75,807,585.

** The Town of Ashford is a member of Regional School District No. 19. This amount represents the Town's proportional share of the District's outstanding bonds payable as of June 30, 2021, calculated as follows:

Bonds Payable, net - Regional	
School District No. 19	\$ 5,150,000
Town of Ashford's proportionate share	<u>20.59%</u>
	<u>\$ 1,060,385</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2021

List of 10/1:	Outstanding July 1, 2020	Current Levy	Lawful Corrections		Collectible Taxes	Collections During the Year				Transfers to Suspense	Outstanding June 30, 2021
			Additions	Deductions		Taxes	Interest	Liens	Total		
2019		\$ 11,356,444	\$ 18,073	\$ 37,554	\$ 11,336,963	\$ 11,129,992	\$ 37,038	\$ 468	\$ 11,167,498	\$ -	\$ 206,971
2018	\$ 191,518	-	583	3,690	188,411	95,730	24,329	544	120,603	-	92,681
2017	88,204	-	-	66	88,138	20,690	9,117	240	30,047	-	67,448
2016	51,545	-	-	-	51,545	6,658	4,979	120	11,757	-	44,887
2015	41,308	-	-	-	41,308	3,659	1,114	48	4,821	-	37,649
2014	26,034	-	-	-	26,034	1,542	2,135	24	3,701	-	24,492
2013	18,958	-	-	-	18,958	796	886	-	1,682	-	18,162
2012	12,449	-	-	-	12,449	241	321	-	562	-	12,208
2011	10,896	-	-	-	10,896	129	185	-	314	-	10,767
2010	9,313	-	-	-	9,313	78	139	-	217	-	9,235
2009	8,883	-	-	-	8,883	-	-	-	-	-	8,883
2008	8,679	-	-	-	8,679	-	-	-	-	-	8,679
2007	8,828	-	-	-	8,828	-	-	-	-	-	8,828
2006	10,493	-	-	-	10,493	-	-	-	-	-	10,493
2005	10,721	-	-	-	10,721	-	-	-	-	-	10,721
	\$ 497,829	\$ 11,356,444	\$ 18,656	\$ 41,310	\$ 11,831,619	11,259,515	80,243	1,444	11,341,202	\$ -	\$ 572,104
Net Grand List - October 1, 2019					Total Suspense Collections	-	-	-	-		
Tax Rate: 36.836 mills					Total Collections	\$ 11,259,515	\$ 80,243	\$ 1,444	\$ 11,341,202		

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Authorized Capital Projects and Purchases
Capital Nonrecurring Fund
For the Year Ended June 30, 2021

Capital Project	Capital Authorizations Carried Forward	Capital Authorizations 2020-2021	Adjustments	Final Capital Authorizations	Current Year Expenditures	Capital Authorizations Carried Forward
Brownfields - Wagon Shed Property	\$ 16,628	\$ -	\$ (5,295)	\$ 11,333	\$ 11,333	\$ -
Knowlton Hall Generator	-	39,500	476	39,976	39,976	-
Pompey Hollow Park Infrastructure	-	-	5,000	5,000	-	5,000
Senior Housing Lighting Project	-	-	18,000	18,000	-	18,000
Revaluation	-	15,000	-	15,000	13,828	1,172
Assessor Software	8,850	7,500	-	16,350	5,850	10,500
Fire Truck	-	74,250	-	74,250	-	74,250
Road Resurfacing	-	255,000	-	255,000	251,456	3,544
Playscape	-	30,000	(564)	29,436	29,436	-
Historical Property Repairs	-	5,000	-	5,000	-	5,000
Finance Software	72,918	-	-	72,918	72,918	-
School Bus	-	88,000	(706)	87,294	87,294	-
	<u>\$ 98,396</u>	<u>\$ 514,250</u>	<u>\$ 16,911</u>	<u>\$ 629,557</u>	<u>\$ 512,091</u>	<u>\$ 117,466</u>

See accountant's report.