
TOWN OF ASHFORD, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2023

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ashford, CT, as of and for the year ended June 30, 2023, 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.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Ashford, CT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ashford's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Ashford, CT's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB schedules on pages 4-10, 43-53, and 54-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ashford, CT's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and other 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 February 20, 2024, on our consideration of the Town of Ashford, CT's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ashford, CT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ashford, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
February 20, 2024

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

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, 2023.

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 \$20,473,463 (*net position*). Of this amount, \$4,166,662 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$2,105,129.
- As of the close of the current fiscal year, the Town of Ashford, CT's governmental funds reported combined ending fund balances of \$5,405,690, an increase of \$698,049 in comparison with the prior year. Of this amount, \$2,535,898 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 \$2,552,699 or 16.3 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, 2023

The government-wide financial statements can be found on pages 11-12 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 13-16 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 17-18 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 19-42 of this report.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

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 \$20,473,463 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	Variance
Current and Other Assets	\$ 7,807,298	\$ 6,582,827	\$ 1,224,471
Capital Assets	<u>15,544,234</u>	<u>15,109,545</u>	<u>434,689</u>
Total Assets	<u>23,351,532</u>	<u>21,692,372</u>	<u>1,659,160</u>
Deferred Outflows of Resources	<u>11,346</u>	<u>12,617</u>	<u>(1,271)</u>
Other Liabilities	1,660,375	1,247,242	413,133
Long-Term Liabilities	<u>1,229,040</u>	<u>2,089,413</u>	<u>(860,373)</u>
Total Liabilities	<u>2,889,415</u>	<u>3,336,655</u>	<u>(447,240)</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Net Investment in Capital Assets	14,812,728	14,035,532	777,196
Restricted	1,494,073	1,529,550	(35,477)
Unrestricted	<u>4,166,662</u>	<u>2,803,252</u>	<u>1,363,410</u>
Total Net Position	<u>\$ 20,473,463</u>	<u>\$ 18,368,334</u>	<u>\$ 2,105,129</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 increased by \$777,196 primarily due to current year capital additions being greater than current year depreciation by \$453,090, plus the paydown of related debt in the amount of \$336,115, along with the amortization of the deferred charges on refunding and amortization of the bond premium.

The Town's restricted net position of \$1,494,073 decreased by \$35,477 compared to last years restricted net position of \$1,529,550.

The Town's unrestricted net position of \$4,166,662 increased by \$1,363,410 compared to last years unrestricted net position of \$2,803,252.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

STATEMENT OF CHANGES IN NET POSITION

	2023	2022	Variance
REVENUES			
<i>Program:</i>			
Charges for services	\$ 644,248	\$ 613,184	\$ 31,064
Operating grants and contributions	6,427,220	5,562,313	864,907
Capital grants and contributions	815,880	66,785	749,095
<i>General:</i>			
Property taxes	12,006,486	12,047,493	(41,007)
Grants and contributions, not restricted to specific programs	323,678	122,122	201,556
Unrestricted investment earnings	260,120	17,318	242,802
Total Revenues	20,477,632	18,429,215	2,048,417
EXPENSES			
<i>Governmental Activities:</i>			
General Government	1,332,018	1,472,936	(140,918)
Public Safety	501,202	446,829	54,373
Public Works	1,535,668	1,546,822	(11,154)
Health and Welfare	143,930	146,696	(2,766)
Planning and Development	246,871	225,610	21,261
Education	14,224,743	13,456,899	767,844
Library	164,485	176,646	(12,161)
Recreation	206,115	168,522	37,593
Interest on long-term debt	17,471	23,528	(6,057)
Total Expenses	18,372,503	17,664,488	708,015
Change in Net Position	2,105,129	764,727	\$ 1,340,402
Beginning Net Position	18,368,334	17,603,607	
Ending Net Position	\$ 20,473,463	\$ 18,368,334	

Governmental activities. Governmental activities increased the Town of Ashford, CT's net position by \$2,105,129.

Fifty-nine percent (59%) of the revenues of the Town were derived from property taxes, followed by thirty-seven percent (37%) from grants and contributions, three percent (3%) from charges for services and less than one percent (1%) of the Town's revenue in the fiscal year was derived from investment income.

Seventy-seven percent (77%) of the expenses of the Town were related to education, followed by eight percent (8%) related to public works, seven percent (7%) related to general government and eight percent (8%) 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 \$5,405,690, an increase of \$698,049 in comparison with the prior year. Forty-seven percent (47%) 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 \$2,552,699. 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 16.3 percent of total General Fund budget basis expenditures and transfers out.

The fund balance of the Town of Ashford, CT's General Fund increased by \$454,296 during the current fiscal year. Key factors of this increase are as follows:

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

Capital Nonrecurring Fund. The fund balance of the Capital Nonrecurring Fund increased by \$248,371 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 \$346,774 to fund future capital projects and purchases along with a transfer from the Board of Education Nonlapsing Fund of \$135,000. 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 and the Southworth Drive project.

Small Cities Grant Program Fund. The fund balance of the Small Cities Grant Program Fund decreased by \$51,470 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. During the year qualified expenditures totaled \$469,601 and a corresponding amount was recognized as revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget for the General Fund included an additional appropriation from fund balance in the amount of \$346,774 to transfer funds to the Capital Nonrecurring Fund for future capital purposes. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$560,947. Budgetary revenues were \$571,273 greater than expected due primarily to higher than anticipated tax collections, state aid, and charges for services. Budgetary expenditures were \$336,448 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, 2023

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, 2023, amounts to \$15,544,234 (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 increase in the Town's investment in capital assets for the current fiscal year was \$434,689, which consisted of capital additions of \$1,007,945, offset by current year depreciation of \$554,855 and loss on disposal of \$18,401.

	2023	2022
Land and Land Development Rights	\$ 1,612,327	\$ 1,612,327
Buildings and Improvements	9,721,754	9,749,624
Machinery, Equipment, and Vehicles	2,159,625	2,191,602
Infrastructure	2,008,126	1,499,878
Right of Use Equipment	42,402	56,114
Total	\$ 15,544,234	\$ 15,109,545

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

- Purchase of a new roller and truck.
- Purchase of a new school bus.
- Building upgrades.
- Road resurfacing and reconstruction projects.

Additional information on the Town of Ashford, CT's capital assets can be found in Note 5 on page 29 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 \$1,229,040.

	2023	2022
G.O. Bonds	\$ 340,000	\$ 560,000
Unamortized Premium	69,981	77,644
Equipment Financing Notes	288,352	390,747
Leases Payable	44,519	58,239
Compensated Absences	45,267	54,911
OPEB Liability	440,921	947,872
Total	\$ 1,229,040	\$ 2,089,413

The Town of Ashford, CT's total long-term debt and other long-term liabilities decreased by \$860,373 (41.2 percent) during the current fiscal year primarily due to the current year paydown of the G.O. Bonds in the amount of \$220,000, the current year paydown of the equipment financing notes in the amount of \$102,395, and the decrease in the OPEB liability in the amount of \$506,951. Additional information on the Town of Ashford, CT's long-term debt can be found in Note 6 on pages 30-32 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 2024 fiscal year. The Town's fiscal year 2024 budget was approved by the Board of Finance on April 4, 2023 and adopted at Town referendum on May 2, 2023. The Town's fiscal year 2024 budgeted expenditures for the General Fund totaled \$16,098,273, an increase of \$416,591 or 7.91% over the fiscal year 2023 original approved budgeted expenditures.

The Town has not assigned any use of fund balance of the General Fund for spending in the 2024 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, 2023

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 5,132,464
Restricted Cash	14,009
Investments	125,497
Receivables, Net	2,522,792
Other Assets	12,536
Capital Assets:	
Assets Not Being Depreciated	1,612,327
Assets Being Depreciated, Net	13,931,907
Total Assets	<u>23,351,532</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	<u>11,346</u>
Liabilities	
Accounts Payable and Accrued Items	962,909
Accrued Interest Payable	4,650
Unearned Revenue	678,807
Performance Bonds	14,009
Noncurrent Liabilities:	
Due Within One Year	162,890
Due In More Than One Year	1,066,150
Total Liabilities	<u>2,889,415</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	14,812,728
Restricted for:	
Endowments - Nonexpendable	81,000
Endowments - Expendable	23,142
Other Purposes	92,505
Community Development Block Program	1,297,426
Unrestricted	4,166,662
Total Net Position	<u>\$ 20,473,463</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, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Governmental Activities				
Governmental Activities:					
General Government	\$ 1,332,018	\$ 244,995	\$ 141,550	\$ 145,840	\$ (799,633)
Public Safety	501,202	10,140	-	15,980	(475,082)
Public Works	1,535,668	-	294,100	514,060	(727,508)
Health and Welfare	143,930	17,627	52,645	-	(73,658)
Planning and Development	246,871	-	20,000	-	(226,871)
Education	14,224,743	330,729	5,914,509	115,000	(7,864,505)
Library	164,485	969	4,416	-	(159,100)
Recreation	206,115	39,788	-	25,000	(141,327)
Interest on Long-Term Debt	17,471	-	-	-	(17,471)
Total Governmental Activities	\$ 18,372,503	\$ 644,248	\$ 6,427,220	\$ 815,880	(10,485,155)
General Revenues:					
					12,006,486
					323,678
					172,104
					88,016
					12,590,284
					2,105,129
					18,368,334
					\$ 20,473,463

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

TOWN OF ASHFORD, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 4,645,075	\$ 129,045	\$ 151,392	\$ -	\$ 206,952	\$ 5,132,464
Restricted Cash	14,009	-	-	-	-	14,009
Investments	50,497	-	-	-	75,000	125,497
Receivables, Net of Allowance	824,457	484,240	1,159,754	-	54,341	2,522,792
Other	7,085	-	-	-	5,451	12,536
Due from Other Funds	22,485	258,112	-	671,136	162,253	1,113,986
Total Assets	<u>\$ 5,563,608</u>	<u>\$ 871,397</u>	<u>\$ 1,311,146</u>	<u>\$ 671,136</u>	<u>\$ 503,997</u>	<u>\$ 8,921,284</u>
Liabilities						
Accounts Payable and Accrued Items	\$ 845,269	\$ -	\$ 13,720	\$ 17,149	\$ 86,771	\$ 962,909
Unearned Revenue	1,320	-	-	653,987	23,500	678,807
Performance Bonds	14,009	-	-	-	-	14,009
Due to Other Funds	1,089,409	-	-	-	24,577	1,113,986
Total Liabilities	<u>1,950,007</u>	<u>-</u>	<u>13,720</u>	<u>671,136</u>	<u>134,848</u>	<u>2,769,711</u>
Deferred Inflows of Resources						
Unavailable Revenues:						
Property Taxes and Interest	745,883	-	-	-	-	745,883
Fund Balances						
Nonspendable	-	-	-	-	81,000	81,000
Restricted	-	-	1,297,426	-	115,647	1,413,073
Committed	315,019	871,397	-	-	189,303	1,375,719
Assigned	-	-	-	-	-	-
Unassigned	2,552,699	-	-	-	(16,801)	2,535,898
Total Fund Balances	<u>2,867,718</u>	<u>871,397</u>	<u>1,297,426</u>	<u>-</u>	<u>369,149</u>	<u>5,405,690</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,563,608</u>	<u>\$ 871,397</u>	<u>\$ 1,311,146</u>	<u>\$ 671,136</u>	<u>\$ 503,997</u>	<u>\$ 8,921,284</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, 2023

Fund balances reported in governmental funds Balance Sheet	\$ 5,405,690
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>	24,720,256
<i>Depreciation</i>	(9,176,022)
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>	745,883
Deferred charges on refundings are not susceptible to accrual and therefore are not reported in the funds.	11,346
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>	(4,650)
<i>Bonds Payable</i>	(340,000)
<i>Unamortized Bond Premium</i>	(69,981)
<i>Equipment Financing Notes</i>	(288,352)
<i>Leases Payable</i>	(44,519)
<i>Compensated Absences</i>	(45,267)
<i>OPEB Liability</i>	<u>(440,921)</u>
Net position of governmental activities	<u>\$ 20,473,463</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, 2023

	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	\$ 11,895,297	\$ -	\$ -	\$ -	\$ -	\$ 11,895,297
Intergovernmental Revenues	5,184,613	628,790	-	469,601	935,070	7,218,074
Licenses, Permits, and Charges for Services	518,612	-	-	-	99,697	618,309
Investment Income	170,493	65	-	-	1,546	172,104
Other Revenue	34,397	88,016	-	-	32,585	154,998
Total Revenues	<u>17,803,412</u>	<u>716,871</u>	<u>-</u>	<u>469,601</u>	<u>1,068,898</u>	<u>20,058,782</u>
Expenditures						
Current:						
General Government	892,099	-	-	115,461	17,759	1,025,319
Public Safety	402,908	-	-	-	32,246	435,154
Public Works	1,019,066	-	-	-	-	1,019,066
Health and Welfare	53,022	-	-	-	76,911	129,933
Planning and Development	170,735	-	51,470	20,000	-	242,205
Education	13,278,394	-	-	-	917,257	14,195,651
Library	159,486	-	-	-	-	159,486
Recreation	-	-	-	-	152,035	152,035
Employee Benefits and Insurance	466,572	-	-	-	-	466,572
Debt Service:						
Principal Payments	233,720	102,395	-	-	-	336,115
Interest and Fiscal Charges	17,178	8,785	-	-	-	25,963
Capital Outlay	-	839,094	-	334,140	-	1,173,234
Total Expenditures	<u>16,693,180</u>	<u>950,274</u>	<u>51,470</u>	<u>469,601</u>	<u>1,196,208</u>	<u>19,360,733</u>
Excess/(Deficiency) of Revenues over Expenditures	1,110,232	(233,403)	(51,470)	-	(127,310)	698,049
Other Financing Sources/(Uses)						
Transfers In	-	481,774	-	-	174,162	655,936
Transfers Out	(655,936)	-	-	-	-	(655,936)
Total Other Financing Sources/(Uses)	<u>(655,936)</u>	<u>481,774</u>	<u>-</u>	<u>-</u>	<u>174,162</u>	<u>-</u>
Net Change in Fund Balances	454,296	248,371	(51,470)	-	46,852	698,049
Fund Balances at Beginning of Year	<u>2,413,422</u>	<u>623,026</u>	<u>1,348,896</u>	<u>-</u>	<u>322,297</u>	<u>4,707,641</u>
Fund Balances at End of Year	<u>\$ 2,867,718</u>	<u>\$ 871,397</u>	<u>\$ 1,297,426</u>	<u>\$ -</u>	<u>\$ 369,149</u>	<u>\$ 5,405,690</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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 698,049
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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>	1,007,945
<i>Depreciation expense</i>	(554,855)
<i>Loss on disposal</i>	(18,401)

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

<i>Property taxes, interest and liens collected accrual basis change</i>	111,189
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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>	220,000
<i>Principal payments on long-term debt - equipment financing notes</i>	102,395
<i>Principal payments on long-term debt - leases payable</i>	13,720

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>	2,100
<i>Amortization of Bond Premium</i>	7,663
<i>Amortization of Deferred Charges on Refunding</i>	(1,271)
<i>Compensated Absences</i>	9,644
<i>OPEB Liability</i>	<u>506,951</u>

Change in net position of governmental activities	<u>\$ 2,105,129</u>
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The notes to the financial statements are an integral part of this statement

TOWN OF ASHFORD, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Pension Trust Fund	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and Cash Equivalents	\$ -	\$ 29,811	\$ 19,178
Investments, at Fair Value			
Mutual Funds	1,589,469	48,004	-
Exchange-traded Funds	-	63,411	-
Employer Contributions Receivable	74,164	-	-
Other Receivables	-	-	200
Total Assets	1,663,633	141,226	19,378
Deferred Outflows of Resources	-	-	-
Liabilities			
Payables	-	-	434
Total Liabilities	-	-	434
Deferred Inflows of Resources	-	-	-
Net Position			
Restricted for Pension Benefits	1,663,633	-	-
Restricted for Scholarships	-	141,226	-
Restricted for Individuals and Organizations	-	-	18,944
Total Net Position	\$ 1,663,633	\$ 141,226	\$ 18,944

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, 2023

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
Additions			
Contributions:			
Employer	\$ 74,730	\$ -	\$ -
Investment Income:			
Net Appreciation/(Depreciation) in Fair Value of Investments	102,981	3,267	-
Interest and Dividends	40,278	4,336	9
Total Investment Income	143,259	7,603	9
Less: Investment Management Fees	8,276	1,124	-
Net Investment Income	134,983	6,479	9
Total Additions	209,713	6,479	9
Deductions			
Benefit Payments	-	-	-
Scholarships	-	4,275	-
Total Deductions	-	4,275	-
Change in Net Position	209,713	2,204	9
Net Position at Beginning of Year	1,453,920	139,022	18,935
Net Position at End of Year	\$ 1,663,633	\$ 141,226	\$ 18,944

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 \$3,502,540. 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 nonmajor 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 \$216,000. 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, 2023, loans receivable totaled \$1,159,754 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 \$10,000 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 two years. 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

Right of Use Lease Asset – The Town has recorded right of use lease assets as a result of implementing GASB 87, Leases. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

TOWN OF ASHFORD, CONNECTICUT

Notes to the Financial Statements

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.

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, 2023.

	Governmental Funds	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 5,132,464	\$ 48,989	\$ 5,181,453
Restricted Cash	14,009	-	14,009
	\$ 5,146,473	\$ 48,989	\$ 5,195,462

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	\$ 5,195,462
Less: Cash Equivalents (STIF)	(2,348,291)
Plus: Investments (CDs)	125,497
	\$ 2,972,668

At year-end, the Town's carrying amount of deposits subject to custodial credit risk was \$2,972,668 and the bank balance was \$3,107,356. Of the bank balance, the Federal Depository Insurance Corporation insured \$2,217,500.

As of June 30, 2023, \$889,856 of the Town's bank balance of \$3,107,356 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 755,064
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	134,792
Total	\$ 889,856

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Cash Equivalents

At June 30, 2023, the Town's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$2,348,291. 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, 2023:

	Governmental Funds	Fiduciary Funds	Total
Certificates of Deposit	\$ 125,497	\$ -	\$ 125,497
Mutual Funds	-	1,637,473	1,637,473
Exchange-traded Funds	-	63,411	63,411
Total Investments	<u>\$ 125,497</u>	<u>\$ 1,700,884</u>	<u>\$ 1,826,381</u>

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

<u>Description</u>	June 30, 2023	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 1,637,473	\$ 1,637,473	\$ -	\$ -
Exchange-traded Funds	63,411	63,411	-	-
Total	1,700,884	<u>\$ 1,700,884</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	125,497			
Total Investments	<u>\$ 1,826,381</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, 2023, 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	\$ 125,497	\$ 125,497	\$ -	\$ -

NOTE 3 – RECEIVABLES

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

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor and Other Funds	Total
Receivables:					
Property Taxes	\$ 627,550	\$ -	\$ -	\$ -	\$ 627,550
Interest, Liens, and Fees	383,733	-	-	-	383,733
Loans	-	-	1,159,754	-	1,159,754
Intergovernmental	-	484,240	-	54,341	538,581
Accounts	29,174	-	-	-	29,174
Gross Receivables	<u>1,040,457</u>	<u>484,240</u>	<u>1,159,754</u>	<u>54,341</u>	<u>2,738,792</u>
Less Allowance for					
Uncollectibles:					
Property Taxes	(99,000)	-	-	-	(99,000)
Interest, Liens, and Fees	(117,000)	-	-	-	(117,000)
Total Allowance	<u>(216,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,000)</u>
Net Total Receivables	<u>\$ 824,457</u>	<u>\$ 484,240</u>	<u>\$ 1,159,754</u>	<u>\$ 54,341</u>	<u>\$ 2,522,792</u>

The loans receivable of \$1,159,754 in the Small Cities Grant Program Fund are long-term receivables and not expected to be collected within one year.

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

	Governmental Funds
General Fund:	
Held for a Future Period	\$ 1,320
ARPA Grant Fund:	
Advances on Grants	653,987
Nonmajor Funds:	
Advances on Grants	9,174
Fees Collected in Advance	14,326
Total Unearned Revenue	<u>\$ 678,807</u>

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, 2023, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Capital Nonrecurring	\$ 258,112
General Fund	ARPA Grant Fund	671,136
General Fund	Nonmajor Governmental Funds	160,161
Nonmajor Governmental Funds	General Fund	22,485
Nonmajor Governmental Funds	Nonmajor Governmental Funds	2,092
		\$ 1,113,986

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, 2023, were as follows:

Transfers In:	Transfers Out:	Total
Capital Nonrecurring Fund	General Fund	\$ 481,774
Nonmajor Governmental Funds	General Fund	174,162
		\$ 655,936

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, 2023:

	<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	\$ 1,612,327	\$ -	\$ -	\$ 1,612,327
Total capital assets, not being depreciated	<u>1,612,327</u>	<u>-</u>	<u>-</u>	<u>1,612,327</u>
Capital assets, being depreciated				
Buildings and Improvements	14,574,520	170,840	-	14,745,360
Machinery, Equipment, and Vehicles	5,031,095	256,695	(31,544)	5,256,246
Infrastructure	2,455,539	580,410	-	3,035,949
Right of Use Equipment	70,374	-	-	70,374
Total capital assets, being depreciated	<u>22,131,528</u>	<u>1,007,945</u>	<u>(31,544)</u>	<u>23,107,929</u>
Less accumulated depreciation for:				
Buildings and Improvements	4,824,896	198,710	-	5,023,606
Machinery, Equipment, and Vehicles	2,839,493	270,271	(13,143)	3,096,621
Infrastructure	955,661	72,162	-	1,027,823
Right of Use Equipment	14,260	13,712	-	27,972
Total accumulated depreciation	<u>8,634,310</u>	<u>554,855</u>	<u>(13,143)</u>	<u>9,176,022</u>
Total capital assets, being depreciated, net	<u>13,497,218</u>	<u>453,090</u>	<u>(18,401)</u>	<u>13,931,907</u>
<i>Capital assets, net</i>	<u>\$ 15,109,545</u>	<u>\$ 453,090</u>	<u>\$ (18,401)</u>	<u>\$ 15,544,234</u>

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

General Government	\$ 113,372
Public Safety	61,382
Public Works	153,066
Library	4,999
Recreation	12,089
Education	<u>209,947</u>
Total	<u>\$ 554,855</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, 2023, was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
General Obligation Bonds	\$ 560,000	\$ -	\$ 220,000	\$ 340,000	\$ 30,000
Unamortized Premium	<u>77,644</u>	<u>-</u>	<u>7,663</u>	<u>69,981</u>	<u>7,663</u>
Total Bonds Payable	637,644	-	227,663	409,981	37,663
Equipment Financing Notes	390,747	-	102,395	288,352	104,168
Leases Payable	58,239	-	13,720	44,519	14,088
Compensated Absences	54,911	-	9,644	45,267	6,971
OPEB Liability	<u>947,872</u>	<u>-</u>	<u>506,951</u>	<u>440,921</u>	<u>-</u>
Total	<u>\$ 2,089,413</u>	<u>\$ -</u>	<u>\$ 860,373</u>	<u>\$ 1,229,040</u>	<u>\$ 162,890</u>

Long-term obligations, other than equipment financing notes, have typically been liquidated by the General Fund. Equipment financing notes 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, 2023, consisted of the following:

<u>Bond Issue</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Outstanding June 30, 2023</u>
General Obligation Refunding Bonds	2013	\$ 2,640,000	2 - 4%	2033	\$ 340,000

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>
2024	\$ 30,000	\$ 13,000	\$ 43,000
2025	30,000	11,800	41,800
2026	30,000	10,600	40,600
2027	30,000	9,400	39,400
2028	35,000	8,100	43,100
2029-2033	<u>185,000</u>	<u>19,100</u>	<u>204,100</u>
Total	<u>\$ 340,000</u>	<u>\$ 72,000</u>	<u>\$ 412,000</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2023, totaled \$15,800.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Authorized and Unissued Bonds

The Town has authorized the appropriation of a \$5,000,000 bond for costs relating to the planning, design, and construction of a new roof at the Ashford School. The bond has not been issued as of June 30, 2023.

Equipment Financing Notes

The Town has entered into two equipment financing notes for the acquisition of an excavator and a fire truck.

Equipment	Year of Issue	Original Amount	Interest Rate	Final Maturity	Principal Outstanding June 30, 2023
Excavator	2022	\$ 184,325	2.25%	6/15/2026	\$ 110,595
Fire Truck	2022	339,575	2.65%	1/15/2026	177,757
					<u>\$ 288,352</u>

The annual debt service requirements of the Town's equipment financing notes are as follows:

Year(s)	Principal	Interest	Total
2024	\$ 104,168	\$ 6,176	\$ 110,344
2025	106,009	3,489	109,498
2026	78,175	789	78,964
Total	<u>\$ 288,352</u>	<u>\$ 10,454</u>	<u>\$ 298,806</u>

Interest paid and expensed on the notes for the year ended June 30, 2023, totaled \$10,454.

Leases Payable

The Town has entered into agreements to lease certain equipment. The leases qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of their inception.

The first agreement was entered into in October 2020, to lease copiers and printers at the Board of Education and requires monthly payments of \$684 through January 2026. The lease liability is measured at a discount rate of 2.65%, which is the rate recently received when the Town financed a piece of equipment. As a result of the lease, the Town has recorded a right of use asset with a net book value of \$18,772 at June 30, 2023.

The second agreement was entered into in January 2022, to lease copiers and printers at the Town offices and requires monthly payments of \$574 through February 2027. The lease liability is measured at a discount rate of 2.65%, which is the rate recently received when the Town financed a piece of equipment. As a result of the lease, the Town has recorded a right of use asset with a net book value of \$23,630 at June 30, 2023.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

The annual debt service requirements of the Town's leases payable are as follows:

Year(s)	Principal	Interest	Total
2024	\$ 14,088	\$ 1,010	\$ 15,098
2025	14,466	632	15,098
2026	11,417	259	11,676
2027	4,548	44	4,592
Total	<u>\$ 44,519</u>	<u>\$ 1,945</u>	<u>\$ 46,464</u>

Interest paid and expensed on leases payable for the year ended June 30, 2023, totaled \$1,378.

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, 2023, the District's total outstanding bonds and BANs were \$2,639,180, with 18.37%, or \$1,055,958 representing the Town's share. Regional School District No. 19 has \$5,572,000 of authorized, unissued bonds, for which the Town would be contingently liable.

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.

NOTE 7 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2023 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	\$ -	\$ -	\$ -	\$ 23,142	\$ 23,142
Community Development					
Block Program	-	-	1,297,426	-	1,297,426
General Government	-	-	-	74,732	74,732
Education	-	-	-	17,773	17,773
Total Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,297,426</u>	<u>\$ 115,647</u>	<u>\$ 1,413,073</u>
Committed to:					
General Government	\$ 24,540	\$ -	\$ -	\$ 2,137	\$ 26,677
Public Works	5,730	-	-	-	5,730
Public Safety	-	-	-	14,106	14,106
Health and Welfare	-	-	-	28,924	28,924
Education	126,422	-	-	144,136	270,558
Library	158,327	-	-	-	158,327
Capital	-	871,397	-	-	871,397
Total Committed	<u>\$ 315,019</u>	<u>\$ 871,397</u>	<u>\$ -</u>	<u>\$ 189,303</u>	<u>\$ 1,375,719</u>
Unassigned:	<u>\$ 2,552,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,801)</u>	<u>\$ 2,535,898</u>

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

The Recreation Fund has a negative fund balance of \$16,801 which will be restored through future charges for services or transfers from the General Fund.

Encumbrances of \$275,933 are contained in the above table in the committed category of the Capital Nonrecurring Fund.

NOTE 8 – TAX ABATEMENTS

In accordance with Connecticut General Statutes Section 12-81m and Section 253-3 of the Town Municipal Code, the Town may abate up to 50% of property taxes on dairy farms or fruit orchards, including a vineyard for the growing of grapes for wine, and recapture taxes so abated in the event of sale. As of June 30, 2023, taxes abated through this program totaled \$2,622. No other commitments have been made by the Town to the abatement recipients.

NOTE 9 – RETIREMENT BENEFITS

Defined Contribution Retirement Plan

The Town established a single employer defined contribution plan called the Town of Ashford MPP (the “Plan”) to provide retirement benefits for all of its full-time employees. Under provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 7% of employee covered payroll. Plan participants are not required to contribute to the plan. The Plan does not issue stand alone financial statements and is part of the Town’s financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund. Town contributions are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Employer contributions totaled \$74,730 for the year ended June 30, 2023.

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.

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.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

Disability Retirement: Employees are eligible for service-related disability 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. In addition, disability benefits under this Plan (without regard for cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% 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, 2023, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$232,548. Covered payroll for the Town for the year ended June 30, 2023, was approximately \$3,322,110.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>14,002,451</u>
Total		<u>\$ 14,002,451</u>

The net pension liability was measured as of June 30, 2022, 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, 2023, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized benefits expense and contribution revenue of \$1,103,995 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,353,353 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2023, 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.

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%	5.40%
Developed Market Intl. Stock Fund	11.00%	6.40%
Emerging Market Intl. Stock Fund	9.00%	8.60%
Core Fixed Income Fund	13.00%	0.8%
Emerging Market Debt Fund	5.00%	3.80%
High Yield Bond Fund	3.00%	3.40%
Real Estate Fund	19.00%	5.20%
Private Equity	10.00%	9.40%
Private Credit	5.00%	6.50%
Alternative Investments	3.00%	3.10%
Liquidity Fund	2.00%	-0.40%

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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, 2023, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	3
Active participants	32
	35
	35

Total OPEB Liability: The Town's total OPEB liability of \$440,921 was measured as of June 30, 2023 and was determined using the Entry Age Normal Actuarial Cost Method.

Actuarial Assumptions and Other Inputs: The total OPEB liability as of June 30, 2023, was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.86% as of June 30, 2023
Healthcare Cost Trend Rates:	
Medical	4.70% decreasing to an ultimate rate of 4.20%
Prescription Drug	5.20% decreasing to an ultimate rate of 4.20%
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.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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 6/30/22	\$ 947,872
Changes for the year:	
Service Cost	27,834
Interest	34,167
Effect of Economic/Demographic Gains/Losses	(531,331)
Changes of Assumptions and Differences	
Between Expected and Actual Experience	(16,382)
Benefit Payments	(21,239)
Net Changes	(506,951)
Balance at 6/30/23	\$ 440,921

Changes in assumptions included an increase in the discount rate from 3.54% to 3.86%.

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 (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate:

	1% Decrease 2.86%	Current Discount Rate 3.86%	1% Increase 4.86%
Total OPEB Liability	\$ 495,494	\$ 440,921	\$ 395,377

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	\$ 387,369	\$ 440,921	\$ 505,822

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.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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 \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, 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 \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan. 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.

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 \$15,615.

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, 2022 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	3.54%
Prior Measurement Date	2.16%

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Single equivalent interest rate

Measurement Date	3.53%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.17%, net of OPEB plan investment expense, Including price inflation.

Healthcare cost trend rates:

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

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%	-0.98%	1.12%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		1.50%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 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.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

- 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 2027 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	\$ 1,054,330	\$ 1,226,743	\$ 1,460,260

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

	1% Decrease (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Net OPEB liability	\$ 1,481,311	\$ 1,226,743	\$ 1,025,969

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023, 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>1,226,743</u>
Total	<u>\$ 1,226,743</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. At June 30, 2023, the Town had no proportionate share of the net OPEB liability.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$15,615 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$73,918 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, 2023, 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.

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, 2023, 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.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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. 99 – *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town's reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 100 – *Accounting Changes and Error Corrections* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 101 – *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2024.

**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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Revenues				
Property Taxes	\$ 11,759,219	\$ 11,759,219	\$ 11,895,297	\$ 136,078
Intergovernmental	3,730,262	3,730,262	3,930,640	200,378
Charges for Services	161,000	161,000	226,970	65,970
Investment Income	13,000	13,000	169,982	156,982
Other	18,200	18,200	30,065	11,865
Total Revenues	<u>15,681,681</u>	<u>15,681,681</u>	<u>16,252,954</u>	<u>571,273</u>
Expenditures				
Current:				
General Government	1,015,402	1,041,421	897,216	(144,205)
Public Safety	29,635	29,635	19,713	(9,922)
Public Works	1,013,267	1,058,072	1,019,066	(39,006)
Health and Welfare	54,774	55,136	53,022	(2,114)
Planning and Development	176,581	176,581	155,735	(20,846)
Education	8,337,427	8,337,427	8,253,212	(84,215)
Education - Regional School District No. 19	3,502,539	3,502,540	3,502,540	-
Employee Benefits and Insurance	573,899	502,712	466,572	(36,140)
Debt Service:				
Principal Payments	220,000	220,000	220,000	-
Interest and Fiscal Charges	15,800	15,800	15,800	-
Total Expenditures	<u>14,939,324</u>	<u>14,939,324</u>	<u>14,602,876</u>	<u>(336,448)</u>
Excess of Revenues Over Expenditures	742,357	742,357	1,650,078	907,721
Other Financing Sources (Uses)				
Transfers Out	(742,357)	(1,089,131)	(1,089,131)	-
Appropriation of Fund Balance	-	346,774	-	(346,774)
Total Other Financing Sources (Uses)	<u>(742,357)</u>	<u>(742,357)</u>	<u>(1,089,131)</u>	<u>(346,774)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560,947</u>	<u>\$ 560,947</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Property Taxes				
Current Year	\$ 11,549,219	\$ 11,549,219	\$ 11,486,061	\$ (63,158)
Prior Year	80,000	80,000	135,996	55,996
Interest and Lien Fees	45,000	45,000	124,642	79,642
Supplemental Motor Vehicle Taxes	85,000	85,000	148,255	63,255
Miscellaneous	-	-	343	343
Total Property Taxes	<u>11,759,219</u>	<u>11,759,219</u>	<u>11,895,297</u>	<u>136,078</u>
Intergovernmental				
Education Cost Sharing Assistance	3,459,062	3,459,062	3,461,189	2,127
Miscellaneous Grants	59,970	59,970	135,873	75,903
Town Aid Road Grant	147,319	147,319	147,050	(269)
Mohegan - Pequot Grant	12,010	12,010	12,010	-
MV Tax Cap Grant	-	-	145,273	145,273
Payment in Lieu of Taxes - AHA	10,000	10,000	10,000	-
Payment in Lieu of Taxes	11,848	11,848	9,328	(2,520)
Payment in Lieu of Taxes - Other	8,058	8,058	8,059	1
Tax Relief for Elderly	19,307	19,307	-	(19,307)
Tax Relief for Veteran Exemptions	1,380	1,380	900	(480)
Tax Relief for Disability Exemptions	1,308	1,308	958	(350)
Total Intergovernmental	<u>3,730,262</u>	<u>3,730,262</u>	<u>3,930,640</u>	<u>200,378</u>
Charges for Services				
Building Licenses and Permits	61,000	61,000	99,942	38,942
Conveyance Tax	40,000	40,000	52,718	12,718
Recording Fees	25,000	25,000	18,452	(6,548)
Newsletters	9,100	9,100	9,629	529
BOE - Bus Garage Usage	6,000	6,000	6,000	-
Copies of Records	5,000	5,000	2,950	(2,050)
Open Space Recapture Tax	-	-	1,770	1,770
Miscellaneous	4,000	4,000	5,022	1,022
Senior Center Program Revenue	2,700	2,700	6,666	3,966
Zoning Permits	4,000	4,000	7,520	3,520
Planning and Zoning Reimbursements	500	500	-	(500)
Recycling and Transfer Station	2,000	2,000	11,365	9,365
Wetlands Permits	1,000	1,000	1,554	554
Dog Licenses	500	500	3,146	2,646
Marriage Licenses	200	200	224	24
Hunting and Fishing Licenses	-	-	12	12
Total Charges for Services	<u>161,000</u>	<u>161,000</u>	<u>226,970</u>	<u>65,970</u>
Investment Income	<u>13,000</u>	<u>13,000</u>	<u>169,982</u>	<u>156,982</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Other Revenues				
Miscellaneous	\$ 11,000	\$ 11,000	\$ 8,431	\$ (2,569)
Telephone Access Line	7,200	7,200	9,134	1,934
Proceeds from Sales of Assets	-	-	12,500	12,500
Total Other Revenues	<u>18,200</u>	<u>18,200</u>	<u>30,065</u>	<u>11,865</u>
Total Revenues	<u>15,681,681</u>	<u>15,681,681</u>	<u>16,252,954</u>	<u>571,273</u>
Other Financing Sources				
Appropriation of Fund Balance	-	346,774	-	(346,774)
Total Other Financing Sources	<u>-</u>	<u>346,774</u>	<u>-</u>	<u>(346,774)</u>
Total Revenues and Other Financing Sources	<u>\$ 15,681,681</u>	<u>\$ 16,028,455</u>	<u>\$ 16,252,954</u>	<u>\$ 224,499</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government				
Board of Selectmen:				
Salaries and Wages	\$ 180,567	\$ 180,567	\$ 145,036	\$ 35,531
Purchased Services	26,100	26,100	29,042	(2,942)
Supplies and Materials	1,384	1,384	1,768	(384)
Other	810	810	753	57
Total Board of Selectmen	<u>208,861</u>	<u>208,861</u>	<u>176,599</u>	<u>32,262</u>
Town Counsel:				
Professional and Tech Services	<u>45,000</u>	<u>64,917</u>	<u>64,917</u>	<u>-</u>
Data Processing and Tech Services	<u>44,528</u>	<u>44,528</u>	<u>32,624</u>	<u>11,904</u>
Knowlton Hall Operations and Maintenance:				
Property Services	11,600	11,600	14,785	(3,185)
Purchased Services	7,866	7,866	7,762	104
Supplies and Materials	<u>11,195</u>	<u>11,195</u>	<u>7,357</u>	<u>3,838</u>
Total Knowlton Hall Operations and Maintenance	<u>30,661</u>	<u>30,661</u>	<u>29,904</u>	<u>757</u>
Town Hall Operations and Maintenance:				
Property Services	32,420	32,420	25,942	6,478
Purchased Services	28,698	28,698	29,154	(456)
Supplies and Materials	<u>8,000</u>	<u>8,000</u>	<u>12,807</u>	<u>(4,807)</u>
Total Town Hall Operations and Maintenance	<u>69,118</u>	<u>69,118</u>	<u>67,903</u>	<u>1,215</u>
Town Property Operations and Maintenance:				
Property Services	13,722	13,722	5,361	8,361
Purchased Services	360	360	7,279	(6,919)
Supplies and Materials	<u>2,100</u>	<u>2,100</u>	<u>1,218</u>	<u>882</u>
Total Town Property Operations and Maintenance	<u>16,182</u>	<u>16,182</u>	<u>13,858</u>	<u>2,324</u>
Earl Smith Senior Center:				
Salaries and Wages	25,347	25,347	25,803	(456)
Property Services	8,600	8,600	5,878	2,722
Purchased Services	7,870	7,870	8,076	(206)
Supplies and Materials	17,500	23,602	26,532	(2,930)
Equipment	<u>4,009</u>	<u>4,009</u>	<u>3,138</u>	<u>871</u>
Total Earl Smith Senior Center	<u>63,326</u>	<u>69,428</u>	<u>69,427</u>	<u>1</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government (Continued)				
Board of Finance:				
Salaries and Wages	\$ 2,320	\$ 2,320	\$ 1,200	\$ 1,120
Professional and Tech Services	25,140	25,140	22,993	2,147
Purchased Services	850	850	790	60
Supplies and Materials	200	200	181	19
Total Board of Finance	<u>28,510</u>	<u>28,510</u>	<u>25,164</u>	<u>3,346</u>
Assessors Office:				
Salaries and Wages	65,204	65,204	66,806	(1,602)
Purchased Services	20,809	20,809	17,429	3,380
Supplies and Materials	1,900	1,900	1,817	83
Total Assessors Office	<u>87,913</u>	<u>87,913</u>	<u>86,052</u>	<u>1,861</u>
Board of Assessment Appeals:				
Salaries and Wages	1,340	1,340	1,100	240
Purchased Services	360	360	-	360
Total Board of Assessment Appeals	<u>1,700</u>	<u>1,700</u>	<u>1,100</u>	<u>600</u>
Tax Collector:				
Salaries and Wages	72,454	72,454	66,916	5,538
Property Services	415	415	-	415
Purchased Services	9,405	9,405	8,661	744
Supplies and Materials	5,150	5,150	4,096	1,054
Other	300	300	250	50
Total Tax Collector	<u>87,724</u>	<u>87,724</u>	<u>79,923</u>	<u>7,801</u>
Finance Department:				
Salaries and Wages	124,135	124,135	61,496	62,639
Professional and Tech Services	9,500	9,500	5,478	4,022
Purchased Services	8,120	8,120	2,277	5,843
Supplies and Materials	3,325	3,325	1,824	1,501
Total Finance Department	<u>145,080</u>	<u>145,080</u>	<u>71,075</u>	<u>74,005</u>
Town Clerk:				
Salaries and Wages	111,498	111,498	112,515	(1,017)
Property Services	500	500	614	(114)
Purchased Services	26,585	26,585	24,217	2,368
Supplies and Materials	4,700	4,700	850	3,850
Total Town Clerk	<u>143,283</u>	<u>143,283</u>	<u>138,196</u>	<u>5,087</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government (Continued)				
Town Election Expense:				
Salaries and Wages	\$ 30,183	\$ 30,183	\$ 24,382	\$ 5,801
Professional and Tech Services	3,275	3,275	2,547	728
Purchased Services	4,295	4,295	2,609	1,686
Supplies and Materials	5,763	5,763	10,936	(5,173)
Total Town Election Expense	<u>43,516</u>	<u>43,516</u>	<u>40,474</u>	<u>3,042</u>
Total General Government	<u>1,015,402</u>	<u>1,041,421</u>	<u>897,216</u>	<u>144,205</u>
Public Safety				
Salaries and Wages	14,050	14,050	14,050	-
Professional and Tech Services	200	200	-	200
Property Services	4,000	4,000	4,964	(964)
Purchased Services	11,185	11,185	699	10,486
Supplies and Materials	100	100	-	100
Equipment	100	100	-	100
Total Public Safety	<u>29,635</u>	<u>29,635</u>	<u>19,713</u>	<u>9,922</u>
Public Works				
Public Works Administration:				
Salaries and Wages	412,007	412,007	406,157	5,850
Purchased Services	1,400	1,400	530	870
Supplies and Materials	3,000	3,000	2,526	474
Total Public Works Administration	<u>416,407</u>	<u>416,407</u>	<u>409,213</u>	<u>7,194</u>
Roads and Bridges:				
Property Services	9,000	9,000	15,239	(6,239)
Supplies and Materials	142,500	142,500	117,368	25,132
Total Roads and Bridges	<u>151,500</u>	<u>151,500</u>	<u>132,607</u>	<u>18,893</u>
Building, Maintenance and Repair:				
Property Services	10,600	10,600	12,019	(1,419)
Purchased Services	5,400	5,400	5,741	(341)
Supplies and Materials	10,000	10,000	5,580	4,420
Total Building, Maintenance and Repair	<u>26,000</u>	<u>26,000</u>	<u>23,340</u>	<u>2,660</u>
Maintenance of Equipment:				
Property Services	10,500	10,500	6,092	4,408
Supplies and Materials	73,500	118,305	122,713	(4,408)
Total Maintenance of Equipment	<u>84,000</u>	<u>128,805</u>	<u>128,805</u>	<u>-</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Public Works (Continued)				
Recycling Center:				
Salaries and Wages	\$ 74,210	\$ 74,210	\$ 72,986	\$ 1,224
Professional and Tech Services	1,500	1,500	27	1,473
Property Services	253,500	253,500	249,223	4,277
Purchased Services	650	650	865	(215)
Supplies and Materials	3,000	3,000	1,200	1,800
Other	2,500	2,500	800	1,700
Total Recycling Center	<u>335,360</u>	<u>335,360</u>	<u>325,101</u>	<u>10,259</u>
Total Public Works	<u>1,013,267</u>	<u>1,058,072</u>	<u>1,019,066</u>	<u>39,006</u>
Health & Welfare				
Agent for the Elderly	7,714	8,076	8,076	-
Commission on Aging	700	700	276	424
Contributions to Other Agencies	46,360	46,360	44,670	1,690
Total Health & Welfare	<u>54,774</u>	<u>55,136</u>	<u>53,022</u>	<u>2,114</u>
Planning and Development				
Planning and Zoning:				
Salaries and Wages	1,105	1,105	1,040	65
Professional and Tech Services	51,870	51,870	48,000	3,870
Purchased Services	1,850	1,850	3,845	(1,995)
Supplies and Materials	1,050	1,050	923	127
Total Planning and Zoning	<u>55,875</u>	<u>55,875</u>	<u>53,808</u>	<u>2,067</u>
Zoning Board of Appeals:				
Purchased Services	<u>1,025</u>	<u>1,025</u>	<u>-</u>	<u>1,025</u>
Inland Wetlands:				
Salaries and Wages	510	510	560	(50)
Professional and Tech Services	11,000	11,000	5,620	5,380
Purchased Services	2,000	2,000	414	1,586
Supplies and Materials	850	850	374	476
Total Inland Wetlands	<u>14,360</u>	<u>14,360</u>	<u>6,968</u>	<u>7,392</u>
Conservation Commission:				
Purchased Services	1,375	1,375	586	789
Supplies and Materials	550	550	-	550
Total Conservation Commission	<u>1,925</u>	<u>1,925</u>	<u>586</u>	<u>1,339</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Planning and Development (Continued)				
Building Department:				
Salaries and Wages	\$ 44,444	\$ 44,444	\$ 40,110	\$ 4,334
Professional and Tech Services	36,923	36,923	34,493	2,430
Supplies and Materials	2,900	2,900	3,169	(269)
Total Building Department	<u>84,267</u>	<u>84,267</u>	<u>77,772</u>	<u>6,495</u>
Economic Development:				
Professional and Tech Services	1,200	1,200	250	950
Purchased Services	250	250	-	250
Supplies and Materials	500	500	-	500
Total Economic Development	<u>1,950</u>	<u>1,950</u>	<u>250</u>	<u>1,700</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	4,000	4,000	3,200	800
Purchased Services	9,859	9,859	9,609	250
Supplies and Materials	3,300	3,300	3,542	(242)
Total Sexton	<u>17,159</u>	<u>17,159</u>	<u>16,351</u>	<u>808</u>
Total Planning and Development	<u>176,581</u>	<u>176,581</u>	<u>155,735</u>	<u>20,846</u>
Education				
Ashford Board of Education:				
Certified Staff	3,467,487	3,467,487	3,200,886	266,601
Non-Certified Staff	1,726,993	1,726,993	1,630,924	96,069
Insurance	1,759,539	1,759,539	1,501,575	257,964
Payroll Taxes and Benefits	300,061	300,061	330,687	(30,626)
Instructional Improvement	27,450	27,450	16,145	11,305
Professional Services	301,893	301,893	353,651	(51,758)
Utilities	166,307	166,307	179,782	(13,475)
Maintenance	103,676	103,676	268,565	(164,889)
Equipment Maintenance	2,300	2,300	1,795	505
Other Insurances	50,459	50,459	48,739	1,720
Transportation	1,280	1,280	11	1,269

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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Education (Continued)				
Communication	\$ 30,815	\$ 30,815	\$ 22,757	\$ 8,058
Tuition	177,202	177,202	107,692	69,510
Facility Usage	3,600	3,600	3,600	-
Supplies	101,544	101,544	386,144	(284,600)
Fuel	65,656	65,656	41,777	23,879
Books & Periodicals	2,900	2,900	7,214	(4,314)
Equipment	35,265	35,265	132,462	(97,197)
Dues & Fees	12,900	12,900	18,806	(5,906)
Miscellaneous	100	100	-	100
Total Ashford Board of Education	<u>8,337,427</u>	<u>8,337,427</u>	<u>8,253,212</u>	<u>84,215</u>
Regional School District No. 19	<u>3,502,539</u>	<u>3,502,540</u>	<u>3,502,540</u>	<u>-</u>
Total Education	<u>11,839,966</u>	<u>11,839,967</u>	<u>11,755,752</u>	<u>84,215</u>
Other				
Employee Benefits	449,899	449,899	432,040	17,859
Insurance	39,000	39,000	34,532	4,468
Contingency	85,000	13,813	-	13,813
Total Other	<u>573,899</u>	<u>502,712</u>	<u>466,572</u>	<u>36,140</u>
Debt Service				
Principal	220,000	220,000	220,000	-
Interest	15,800	15,800	15,800	-
Total Debt Service	<u>235,800</u>	<u>235,800</u>	<u>235,800</u>	<u>-</u>
Total Expenditures	<u>14,939,324</u>	<u>14,939,324</u>	<u>14,602,876</u>	<u>336,448</u>
Other Financing Uses				
Transfers Out:				
Animal Fund	24,619	24,619	24,619	-
Babcock Library Fund	185,000	185,000	185,000	-
Recreation Fund	103,166	103,166	103,166	-
Youth Services Fund	46,377	46,377	46,377	-
Volunteer Fire & Ambulance Fund	383,195	383,195	383,195	-
Capital Nonrecurring Fund	-	346,774	346,774	-
Total Other Financing Uses	<u>742,357</u>	<u>1,089,131</u>	<u>1,089,131</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 15,681,681</u>	<u>\$ 16,028,455</u>	<u>\$ 15,692,007</u>	<u>\$ 336,448</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, 2023, additional appropriations from fund balance totaled \$346,774.
- 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, 2023:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses)
Budgetary Basis	\$ 16,252,954	\$ 14,602,876	\$ (1,089,131)
"On-behalf" payments - State Teachers Retirement Fund	1,119,610	1,119,610	-
Excess Cost Grant	116,554	116,554	-
Babcock Library Fund	5,896	159,486	185,000
Adjustment for Encumbrances	-	-	-
Other Funds	-	3,061	(135,000)
Reclassifications for GAAP Purposes	<u>308,398</u>	<u>691,593</u>	<u>383,195</u>
GAAP Basis	<u>\$ 17,803,412</u>	<u>\$ 16,693,180</u>	<u>\$ (655,936)</u>

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

Schedule of Proportionate Share of Net Pension Liability

	2023	2022	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%	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>14,002,451</u>	<u>10,879,753</u>	<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>\$ 14,002,451</u>	<u>\$ 10,879,753</u>	<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>\$ 3,322,110</u>	<u>\$ 3,449,643</u>	<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.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	<u>54.06%</u>	<u>60.77%</u>	<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	3.0% - 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 Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 27,834	\$ 29,686	\$ 22,855	\$ 5,544	\$ 2,800	\$ 21,721
Interest	34,167	18,490	23,874	11,017	30,157	19,881
Effect of Economic/Demographic Gains/Losses	(531,331)	162,954	(4,533)	337,597	(416,393)	-
Differences Between Expected and Actual Experience						
Including Assumption Changes	(16,382)	(130,401)	95,318	86,017	24,681	(57,235)
Benefit Payments, Including Refunds of Member Contributions	(21,239)	(27,834)	(30,746)	(27,139)	(34,043)	(32,383)
Net Change in Total OPEB Liability	(506,951)	52,895	106,768	413,036	(392,798)	(48,016)
Total OPEB Liability - Beginning	<u>947,872</u>	<u>894,977</u>	<u>788,209</u>	<u>375,173</u>	<u>767,971</u>	<u>815,987</u>
Total OPEB Liability - Ending	<u>\$ 440,921</u>	<u>\$ 947,872</u>	<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, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Discount Rate	3.86% (Previously 3.54%)
Salary Increases	1.70%

See accountant's report.

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

Schedule of Proportionate Share of Net OPEB Liability

	2023	2022	2021	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	0.00%	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>1,226,294</u>	<u>1,185,329</u>	<u>2,048,861</u>	<u>2,037,095</u>	<u>2,013,400</u>	<u>2,663,365</u>
Total	<u>\$ 1,226,294</u>	<u>\$ 1,185,329</u>	<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>\$ 3,322,110</u>	<u>\$ 3,449,643</u>	<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.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<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 an open 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, 2023

	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	\$ 4,534,032	\$ 107,370	\$ 673	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ 4,645,075
Restricted Cash	-	-	-	-	-	-	-	14,009	-	-	14,009
Investments	-	50,497	-	-	-	-	-	-	-	-	50,497
Receivables, Net of Allowance	824,457	-	-	-	-	-	-	-	-	-	824,457
Other	6,625	460	-	-	-	-	-	-	-	-	7,085
Due from Other Funds	25,931	-	-	14,345	9,668	24,730	500	-	357,422	(410,111)	22,485
Total Assets	<u>\$ 5,391,045</u>	<u>\$ 158,327</u>	<u>\$ 673</u>	<u>\$ 14,345</u>	<u>\$ 9,668</u>	<u>\$ 24,730</u>	<u>\$ 500</u>	<u>\$ 17,009</u>	<u>\$ 357,422</u>	<u>\$ (410,111)</u>	<u>\$ 5,563,608</u>
Liabilities											
Accounts Payable and Accrued Items	\$ 845,069	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 845,269
Unearned Revenue	1,320	-	-	-	-	-	-	-	-	-	1,320
Performance Bonds	-	-	-	-	-	-	-	14,009	-	-	14,009
Due to Other Funds	1,246,074	-	-	446	-	19,000	-	3,000	231,000	(410,111)	1,089,409
Total Liabilities	<u>2,092,463</u>	<u>-</u>	<u>-</u>	<u>646</u>	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>17,009</u>	<u>231,000</u>	<u>(410,111)</u>	<u>1,950,007</u>
Deferred Inflows of Resources											
Unavailable Revenues:											
Property Taxes and Interest	745,883	-	-	-	-	-	-	-	-	-	745,883
Fund Balances											
Committed	-	158,327	673	13,699	9,668	5,730	500	-	126,422	-	315,019
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	2,552,699	-	-	-	-	-	-	-	-	-	2,552,699
Total Fund Balances	<u>2,552,699</u>	<u>158,327</u>	<u>673</u>	<u>13,699</u>	<u>9,668</u>	<u>5,730</u>	<u>500</u>	<u>-</u>	<u>126,422</u>	<u>-</u>	<u>2,867,718</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,391,045</u>	<u>\$ 158,327</u>	<u>\$ 673</u>	<u>\$ 14,345</u>	<u>\$ 9,668</u>	<u>\$ 24,730</u>	<u>\$ 500</u>	<u>\$ 17,009</u>	<u>\$ 357,422</u>	<u>\$ (410,111)</u>	<u>\$ 5,563,608</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2023

	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	\$ 11,895,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,895,297
Intergovernmental	5,184,529	84	-	-	-	-	-	-	-	5,184,613
Licenses, Permits, and Charges for Services	517,643	969	-	-	-	-	-	-	-	518,612
Investment Income	169,982	511	-	-	-	-	-	-	-	170,493
Other	30,065	4,332	-	-	-	-	-	-	-	34,397
Total Revenues	17,797,516	5,896	-	-	-	-	-	-	-	17,803,412
Expenditures										
Current:										
General Government	891,475	-	-	624	-	-	-	-	-	892,099
Public Safety	402,908	-	-	-	-	-	-	-	-	402,908
Public Works	1,019,066	-	-	-	-	-	-	-	-	1,019,066
Health and Welfare	53,022	-	-	-	-	-	-	-	-	53,022
Planning and Development	170,735	-	-	-	-	-	-	-	-	170,735
Education	13,275,957	-	-	-	-	-	-	2,437	-	13,278,394
Library	-	159,486	-	-	-	-	-	-	-	159,486
Employee Benefits and Insurance	466,572	-	-	-	-	-	-	-	-	466,572
Debt Service:										
Principal Payments	233,720	-	-	-	-	-	-	-	-	233,720
Interest and Fiscal Charges	17,178	-	-	-	-	-	-	-	-	17,178
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	16,530,633	159,486	-	624	-	-	-	2,437	-	16,693,180
Excess/(Deficiency) of Revenues over Expenditures	1,266,883	(153,590)	-	(624)	-	-	-	(2,437)	-	1,110,232
Other Financing Sources/(Uses)										
Transfers In	-	185,000	-	-	-	-	-	80,006	(265,006)	-
Transfers Out	(785,942)	-	-	-	-	-	-	(135,000)	265,006	(655,936)
Lease Liabilities Issued	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(785,942)	185,000	-	-	-	-	-	(54,994)	-	(655,936)
Net Change in Fund Balances	480,941	31,410	-	(624)	-	-	-	(57,431)	-	454,296
Fund Balances at Beginning of Year	2,071,758	126,917	673	14,323	9,668	5,730	500	183,853	-	2,413,422
Fund Balances at End of Year	\$ 2,552,699	\$ 158,327	\$ 673	\$ 13,699	\$ 9,668	\$ 5,730	\$ 500	\$ 126,422	\$ -	\$ 2,867,718

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

SPECIAL REVENUE FUNDS

	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund	Student Activities Fund	Opioid Fund
Assets							
Cash and Cash Equivalents	\$ -	\$ 131,998	\$ -	\$ 18,019	\$ -	\$ 18,599	\$ -
Investments	-	-	-	-	-	-	-
Receivables, Net	1,811	46,361	6,169	-	-	-	-
Other	-	5,451	-	-	-	-	-
Due from Other Funds	16,022	-	46,107	8,280	5,881	-	10,566
Total Assets	\$ 17,833	\$ 183,810	\$ 52,276	\$ 26,299	\$ 5,881	\$ 18,599	\$ 10,566
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ 3,727	\$ 22,582	\$ 43,102	\$ -	\$ 10,065	\$ 826	\$ -
Unearned Revenue	-	3,801	9,174	-	10,525	-	-
Due to Other Funds	-	13,291	-	-	2,092	-	-
Total Liabilities	3,727	39,674	52,276	-	22,682	826	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	26,299	-	17,773	10,566
Committed	14,106	144,136	-	-	-	-	-
Unassigned	-	-	-	-	(16,801)	-	-
Total Fund Balances	14,106	144,136	-	26,299	(16,801)	17,773	10,566
Total Liabilities and Fund Balances	\$ 17,833	\$ 183,810	\$ 52,276	\$ 26,299	\$ 5,881	\$ 18,599	\$ 10,566

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	SPECIAL REVENUE FUNDS				PERMANENT FUNDS		Total
	Nips Fund	AYSB Fund	Town Clerk Special Fund	Veterans Memorial Fund	Band and Library Fund	Cemetery Fund	
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 6,363	\$ 31,973	\$ 206,952
Investments	-	-	-	-	-	75,000	75,000
Receivables, Net	-	-	-	-	-	-	54,341
Other	-	-	-	-	-	-	5,451
Due from Other Funds	1,996	35,393	35,871	2,137	-	-	162,253
Total Assets	\$ 1,996	\$ 35,393	\$ 35,871	\$ 2,137	\$ 6,363	\$ 106,973	\$ 503,997
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ -	\$ 6,469	\$ -	\$ -	\$ -	\$ -	\$ 86,771
Unearned Revenue	-	-	-	-	-	-	23,500
Due to Other Funds	-	-	-	-	-	9,194	24,577
Total Liabilities	-	6,469	-	-	-	9,194	134,848
Fund Balances:							
Nonspendable	-	-	-	-	6,000	75,000	81,000
Restricted	1,996	-	35,871	-	363	22,779	115,647
Committed	-	28,924	-	2,137	-	-	189,303
Unassigned	-	-	-	-	-	-	(16,801)
Total Fund Balances	1,996	28,924	35,871	2,137	6,363	97,779	369,149
Total Liabilities and Fund Balances	\$ 1,996	\$ 35,393	\$ 35,871	\$ 2,137	\$ 6,363	\$ 106,973	\$ 503,997

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, 2023

	SPECIAL REVENUE FUNDS						
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund	Student Activities Fund	Opioid Fund
Revenues							
Intergovernmental Revenues	\$ -	\$ 246,729	\$ 655,762	\$ 5,500	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	5,432	18,923	-	2,035	39,788	21,133	-
Investment Income	-	-	-	9	-	-	-
Other Revenue	4,708	-	5,556	-	-	-	10,566
Total Revenues	<u>10,140</u>	<u>265,652</u>	<u>661,318</u>	<u>7,544</u>	<u>39,788</u>	<u>21,133</u>	<u>10,566</u>
Expenditures							
Current:							
General Government	-	-	-	5,500	-	-	-
Public Safety	32,246	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Education	-	232,931	661,318	-	-	23,008	-
Recreation	-	-	-	-	152,035	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>32,246</u>	<u>232,931</u>	<u>661,318</u>	<u>5,500</u>	<u>152,035</u>	<u>23,008</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over Expenditures	(22,106)	32,721	-	2,044	(112,247)	(1,875)	10,566
Other Financing Sources/(Uses)							
Transfers In	24,619	-	-	-	103,166	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>24,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,166</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,513	32,721	-	2,044	(9,081)	(1,875)	10,566
Fund Balances at Beginning of Year	11,593	111,415	-	24,255	(7,720)	19,648	-
Fund Balances at End of Year	<u>\$ 14,106</u>	<u>\$ 144,136</u>	<u>\$ -</u>	<u>\$ 26,299</u>	<u>\$ (16,801)</u>	<u>\$ 17,773</u>	<u>\$ 10,566</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, 2023

	SPECIAL REVENUE FUNDS				PERMANENT FUNDS		Total
	Nips Fund	AYSB Fund	Town Clerk Special Fund	Veterans Memorial Fund	Band and Library Fund	Cemetery Fund	
Revenues							
Intergovernmental Revenues	\$ -	\$ 27,079	\$ -	\$ -	\$ -	\$ -	\$ 935,070
Licenses, Permits and Charges for Services	-	10,961	1,425	-	-	-	99,697
Investment Income	-	-	-	-	3	1,534	1,546
Other Revenue	11,455	-	-	-	-	300	32,585
Total Revenues	11,455	38,040	1,425	-	3	1,834	1,068,898
Expenditures							
Current:							
General Government	9,459	-	-	2,800	-	-	17,759
Public Safety	-	-	-	-	-	-	32,246
Health and Welfare	-	76,911	-	-	-	-	76,911
Education	-	-	-	-	-	-	917,257
Recreation	-	-	-	-	-	-	152,035
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	9,459	76,911	-	2,800	-	-	1,196,208
Excess/(Deficiency) of Revenues Over Expenditures	1,996	(38,871)	1,425	(2,800)	3	1,834	(127,310)
Other Financing Sources/(Uses)							
Transfers In	-	46,377	-	-	-	-	174,162
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	46,377	-	-	-	-	174,162
Net Change in Fund Balances	1,996	7,506	1,425	(2,800)	3	1,834	46,852
Fund Balances at Beginning of Year	-	21,418	34,446	4,937	6,360	95,945	322,297
Fund Balances at End of Year	\$ 1,996	\$ 28,924	\$ 35,871	\$ 2,137	\$ 6,363	\$ 97,779	\$ 369,149

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Schedule of Debt Limitation

June 30, 2023

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year	\$11,411,822
Reimbursement for Revenue Loss on:	
Tax Relief for Elderly - Prior Fiscal Year	-
Base	<u>\$ 11,411,822</u>

	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Sewers</u> (3.75 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Pension Deficit</u> (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 25,676,600</u>	<u>\$ 51,353,199</u>	<u>\$ 42,794,333</u>	<u>\$ 37,088,422</u>	<u>\$ 34,235,466</u>
Indebtedness:					
Bonds Payable	340,000	-	-	-	-
** Bonds Payable, net - Regional					
School District No. 19	-	1,348,696	-	-	-
Authorized and Unissued Debt	-	5,000,000	-	-	-
Total Indebtedness	<u>340,000</u>	<u>6,348,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 25,336,600</u>	<u>\$ 45,004,503</u>	<u>\$ 42,794,333</u>	<u>\$ 37,088,422</u>	<u>\$ 34,235,466</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$79,882,754.

** 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, 2023, calculated as follows:

Bonds Payable, net - Regional	
School District No. 19	\$ 7,341,841
Town of Ashford's proportionate share	18.37%
	<u>\$ 1,348,696</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2023

List of 10/1:	Outstanding July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Collectible Taxes	Collections During the Year				Outstanding June 30, 2023
			Additions	Deductions			Taxes	Interest	Liens	Total	
2021		\$ 11,923,636	\$ 35,344	\$ 60,178	\$ -	\$ 11,898,802	\$ 11,678,845	\$ 42,071	\$ 431	\$ 11,721,347	\$ 219,957
2020	\$ 196,223	-	5,897	3,738	-	198,382	84,443	21,046	340	105,829	113,939
2019	86,807	-	485	581	-	86,711	34,488	9,462	168	44,118	52,223
2018	55,467	-	410	-	-	55,877	13,770	5,090	72	18,932	42,107
2017	48,404	-	-	-	-	48,404	5,491	4,321	24	9,836	42,913
2016	34,579	-	-	-	-	34,579	4,373	4,161	24	8,558	30,206
2015	31,974	-	-	-	-	31,974	841	2,857	24	3,722	31,133
2014	22,239	-	-	-	-	22,239	95	84	-	179	22,144
2013	17,066	-	-	-	-	17,066	-	-	-	-	17,066
2012	11,525	-	-	-	-	11,525	-	-	-	-	11,525
2011	10,036	-	-	-	-	10,036	-	-	-	-	10,036
2010	8,672	-	-	-	-	8,672	-	-	-	-	8,672
2009	8,431	-	-	-	-	8,431	-	-	-	-	8,431
2008	8,370	-	-	-	-	8,370	-	-	-	-	8,370
2007	8,828	-	-	-	-	8,828	-	-	-	-	8,828
	\$ 548,621	\$ 11,923,636	\$ 42,136	\$ 64,497	\$ -	\$ 12,449,896	11,822,346	89,092	1,083	11,912,521	\$ 627,550

Net Grand List - October 1, 2021

Tax Rate: 32.265 mills

Total Suspense Collections	-	-	-	-
Total Collections	\$ 11,822,346	\$ 89,092	\$ 1,083	\$ 11,912,521

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Authorized Capital Projects and Purchases
Capital Nonrecurring Fund
For the Year Ended June 30, 2023

Capital Project	Capital Authorizations Carried Forward	Capital Authorizations 2022-2023	Adjustments	Final Capital Authorizations	Current Year Expenditures	Capital Authorizations Carried Forward
Brownfields - Cadle Property Remediation	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 300,000
Revaluation	(605)	15,000	-	14,395	-	14,395
Replace Heat Exchanger - Ashford School	18,596	-	-	18,596	18,403	193
Oil Tank Replacement	-	270,000	-	270,000	32	269,968
Roof Replacement - Ashford School	14,929	13,210	-	28,139	-	28,139
Fire Truck	48,681	74,250	-	122,931	71,265	51,666
Road Resurfacing	(17,188)	205,000	-	187,812	196,255	(8,443)
Southworth Drive - STEAP Grant	-	600,000	-	600,000	580,410	19,590
Playscape	564	-	-	564	-	564
Historical Property Repairs	4,000	-	-	4,000	4,000	-
Mini Excavator	(648)	40,000	-	39,352	39,914	(562)
Dump Truck	-	44,000	-	44,000	-	44,000
Pavement Roller	-	39,995	-	39,995	39,995	-
	<u>\$ 68,329</u>	<u>\$ 1,601,455</u>	<u>\$ -</u>	<u>\$ 1,669,784</u>	<u>\$ 950,274</u>	<u>\$ 719,510</u>

See accountant's report.