

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 28, 2024**

**NEW MONEY ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. (See "Tax Matters" herein.)*

**TOWN OF ASHFORD, CONNECTICUT**

**\$4,000,000**

**GENERAL OBLIGATION BOND ANTICIPATION NOTES  
(BANK QUALIFIED)  
OPTION FOR NO BOOK-ENTRY**

**Dated: July 23, 2024**

**Due: July 22, 2025**

Amount	Coupon	Yield	CUSIP (1)
\$ 4,000,000	%	%	044095***

The Notes will be general obligations of the Town of Ashford, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Notes when due. (See "Security and Remedies" herein). Interest on the Notes will be payable at maturity.

**The Notes are NOT subject to optional redemption prior to maturity.**

Unless requested by the successful purchaser as described under "Option For No Book Entry" herein for the Notes, the Notes will be issued by means of a book-entry transfer system and will be registered in the name of Cede & Co., as Noteowner, respectively, and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Ownership of the Notes will be in the denominations of \$5,000 or integral multiples thereof plus any odd amount. The Beneficial Owners will not receive certificates representing their ownership interest in the Notes. Principal and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. So long as Cede & Co. is the Noteowner as nominee for DTC, reference herein to the or Noteowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. (See "Book-Entry-Only Transfer System" herein).

If requested by the successful purchaser as described under "Option For No Book Entry" herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes.

Unless the successful bidder on the Notes is designated as the certifying bank, registrar, transfer and paying agent for the Notes as provided in "Option For No Book Entry" herein, the Notes will be certified by U.S. Bank Trust Company, National Association, in Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

**The Notes are being offered for sale in accordance with an official Notice of Sale dated June 28, 2024. Telephone bids and electronic bids via PARITY® for the Notes will be received until 11:00 A.M. (E.T.) on Tuesday, July 9, 2024, at the offices of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, as described in the official Notice of Sale. (See "Appendix D" to this Official Statement).**

*The Notes are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in definitive form will be made on or about July 23, 2024 through the facilities of DTC.*

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town and are included solely for the convenience of the holders of the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesperson or other person has been authorized by the Town of Ashford, Connecticut (the "Town") or the Municipal Advisor to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Notes may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – "Basic Financial Statements" to this Official Statement, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth in Appendix B to this Official Statement, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The Town deems this Official Statement to be "final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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## NOTE ISSUE SUMMARY

*The information in this Note Issue Summary, the front cover is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Date of Sale:</b>	<b><u>Tuesday, July 9, 2024, 11:00 A.M. (Eastern Time).</u></b>
<b>Location of Sale:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
<b>Issuer:</b>	Town of Ashford, Connecticut (the "Town").
<b>Issue:</b>	\$4,000,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	Date of delivery.
<b>Interest Due:</b>	At maturity, July 22, 2025.
<b>Principal Due:</b>	At maturity, July 22, 2025.
<b>Purpose and Authority:</b>	The proceeds of the Notes will be used to fund school roof replacement projects as approved at a Special Town Meeting. See "Authorization and Use of Proceeds" herein
<b>Redemption:</b>	The Note are <b><u>NOT</u></b> subject to redemption prior to maturity as more fully described herein.
<b>Security:</b>	The Note will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	The Town has not applied for a rating on the Notes. Currently, the Town's outstanding bonds are rated "Aa3" by Moody's Investors Service, Inc. ("Moody's"). See "Ratings" herein.
<b>Basis of Award:</b>	Lowest Net Interest Cost ("NIC"), as of dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Notes <b><u>SHALL BE</u></b> designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notices of certain events not in excess of ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	Unless the successful purchaser is designated as such as provided in "Option For No Book Entry" herein, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about July 23, 2024 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions <b>concerning</b> the Official Statement should be directed to Sherri Soucy, Finance Director/Treasurer, Town of Ashford, 5 Town Hall Road, Ashford, Connecticut 06278. Telephone: 860-487-4405.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mark Chapman, Managing Director, Telephone: 203-421-2087.

## I. SECURITIES OFFERED

### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Ashford, Connecticut (the "Town") in connection with the issuance of \$4,000,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town, and may not be reproduced or used in whole or in part for any other purpose.

The Notes are being offered for sale at public bidding. A Notice of Sale dated June 28, 2024 has been furnished to prospective bidders. Reference is made to the Notice of Sale (See Appendix D to this Official Statement) for the terms and conditions of the bidding on the Notes.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion in Appendix B) and they make no representation that they have independently verified the same.

### DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and will bear interest at the rate or rates per annum shown on the cover page of this Official Statement. The Notes will be payable as to both principal and interest at maturity. The Notes will be issued as fully registered notes in denominations of \$5,000 or any integral multiple thereof. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Unless the winning bidder requests otherwise, a book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. Principal of and interest on the Notes will be payable by the Town or its agent to the successful purchaser, as registered owner of the Notes.

Unless the successful purchaser of the Notes is designated as the Certifying Agent, Registrar, Transfer and Paying Agent for the Notes as provided in "Option For No Book Entry" herein, the Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement.

### AUTHORIZATION AND USE OF PROCEEDS

The Notes are issued pursuant to Section 7-369 and Section 10-289 of the General Statutes of Connecticut and a borrowing resolution approved at a Special Town Meeting held on February 11, 2023 for the Ashford School Roof Replacement Project.

The Bonds will be used to finance the following projects authorized by the Town:

<b>Project</b>	<b>Amount of Total Authorization</b>	<b>Additions / (Reductions)</b>	<b>The Notes (This Issue) (1)</b>
Ashford School Roof Replacement Project....	\$ 5,000,000	\$ 4,000,000	\$ 4,000,000

(1) The Town anticipates receiving approximately \$2,614,400 in State Grants for this project.

## **RATINGS**

The Town has not applied for a rating on the Notes. Currently, the Town's bond rating is "Aa3" by Moody's Investors Service, Inc. ("Moody's"). Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's outstanding bonds and notes, including the Notes.

## **SECURITY AND REMEDIES**

The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Unless paid from other sources, the Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts and except as provided by a budget limitation ordinance of the Town entitled "Resolution 80", adopted at referendum held April 29, 1980. There were 5,723 acres of such classified forest land on the last completed grand list of the Town. The Town may place a lien on the property for the amount of tax relief granted, plus interest with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income. The budget limitation ordinance of the Town reads, in relevant portion, as follows:

"The purpose of this ordinance is to limit by town ordinance the increase in the annual combined town budget to revenue generated by the growth in the Grand List, in State and Federal assistance, and other income, except for increases, voted upon by Town Meeting, necessary to cover debt service on legal obligations, court judgments against the Town, State mandated programs, and emergency expenditures."

"In the event of property revaluation, the actual dollar increase in the combined town budget shall be limited to the dollar amount of increase in the preceding years budget or the average amount of increase over the preceding three years, whichever is lower."

Payment of the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Notes or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes (the "obligations") and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such obligations from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

*[The remainder of this page intentionally left blank]*

Enforcement of a claim for payment of principal or interest on the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements if it is specifically authorized in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue notes or other obligations.

### **OPTION FOR NO BOOK ENTRY**

As described in the official Notice of Sale dated June 28, 2024, a bidder for the Notes may request that the Notes be issued in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the certifying agent, registrar and paying and transfer agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as certifying agent, registrar and paying and transfer agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable and must be held to maturity by the winning bidder requesting the No Book Entry Option. The successful bidder shall not impose or charge the Town for any costs or expenses related to the services as certifying agent, registrar and paying and transfer agent for the Notes if the successful bidder is so designated.

Unless the successful purchaser makes a request for no book entry as described herein and in the official Notice of Sale, the Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public.

### **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

The Depository Trust Company ("DTC") of New York, New York, will act as securities depository for the Notes, unless directed otherwise by the purchaser of the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each interest rate of the Notes and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not affect any change in the beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent, or the Town subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or its agent. Under such circumstances, in the event that a successor securities depository is not obtained, note certificates are required to be printed and delivered.

The Town may decide to discontinue the use of the system of the book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable but the Town takes no responsibility for the accuracy thereof.

## REPLACEMENT NOTES

The Town will provide for the issuance of fully-registered Notes directly to the Beneficial Owners of the Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the Town fails to identify another qualified securities depository for the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes. A Beneficial Owner of the Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Notes.

## DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

## TAX MATTERS

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Notes.

**Original Issue Premium.** The initial public offering prices of certain maturities of the Notes may be more than their stated principal amounts payable at maturity (the "OIP Notes"). In general, an owner who purchases an OIP Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Note for federal income tax purposes. Prospective purchasers of OIP Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

**Other Federal Tax Matters.** Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

**State Taxes.** In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Notes.

**Changes in Federal and State Tax Law.** Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

**General.** The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Notes.

## **THE COVID-19 OUTBREAK AND FUTURE PANDEMICS**

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The Town received \$1.7 million from the Rescue Plan. The Town developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For up-to-date information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Notes, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on the Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

## **CYBERSECURITY**

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including comprehensive procedures relating to the security of the Town’s government networks. Additionally, the Town purchases cybersecurity insurance, so that a claim can be made to the insurance provider in the event of a cyber-attack. To date no breaches have occurred. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial.

## **CLIMATE CHANGE**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. The Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals. While the Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances, the Town believes it holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses resulting from the increasing frequency of severe weather. The Town is prepared to quickly respond and recover from any such events that would exceed its annual operating budget. In an effort to address climate change, the Town has enrolled in the Sustainable CT program and received a “Bronze” designation from the program. The Town achieved Bronze recertification in August 2022.

## **QUALIFICATIONS FOR FINANCIAL INSTITUTIONS**

The Notes **SHALL BE** designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

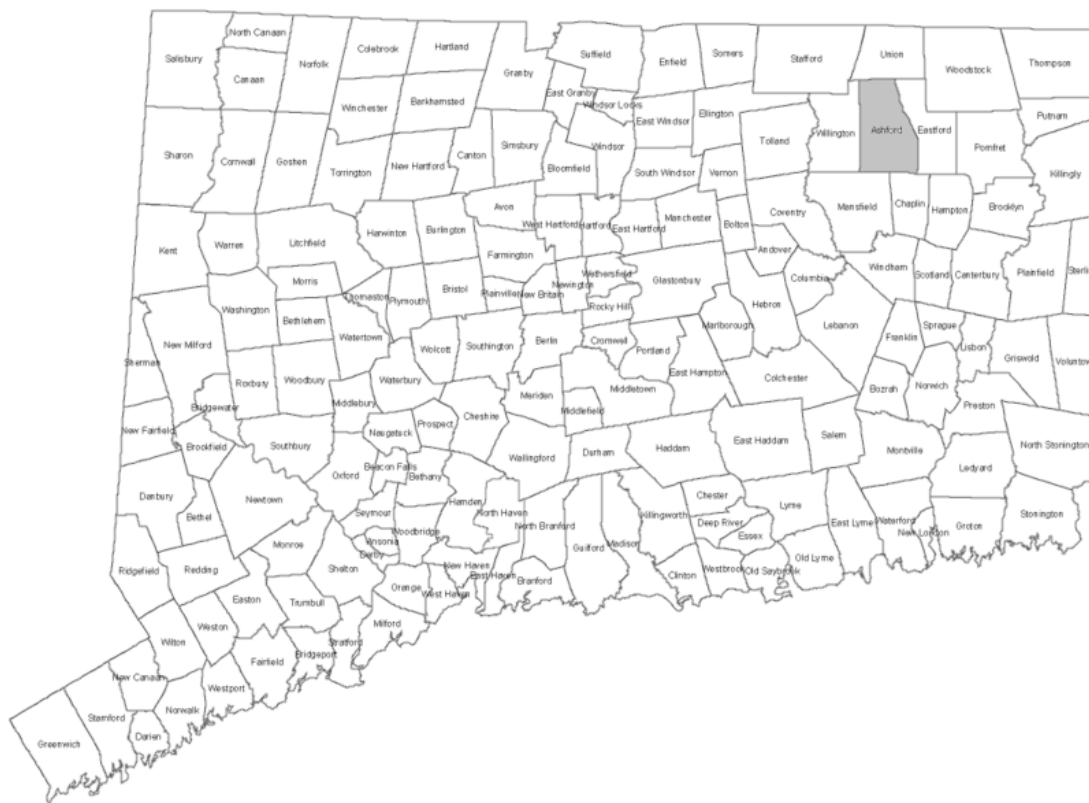
## **AVAILABILITY OF CONTINUING DISCLOSURE**

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided timely notice of the occurrence of certain events not in excess of 10 business days of the occurrence of such events with respect to the Notes. The Continuing Disclosure Agreement for the Notes shall be executed by the Town in substantially the form contained in Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds or notes to provide annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the Town has not failed to comply in any material respect with its previous undertakings under such agreements, except for, the failure to make timely filings on EMMA of annual financial information and operating data for its fiscal year ending June 30, 2019. The audited financial statements for fiscal year ending June 30, 2019 were completed and the Town submitted all required information on April 16, 2020. The Board of Education was unable to provide certain required documents in a timely manner which resulted in the delay. The Town has hired its municipal advisor to make its annual filings and is implementing procedures to ensure it files all required annual financial information in a timely manner in the future.

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town of Ashford, settled in 1710 and thought to be named for Ashford in Kent, England, was incorporated as Connecticut's forty-fourth town in October 1714. It covers an area of 39.5 square miles about 32 miles east of Hartford and 45 miles west of Providence on the old Hartford–Providence Turnpike. The University of Connecticut, located in the adjoining Town of Mansfield, is a major influence on the character of the community.

The Town of Ashford was originally part of the Wabbaquasset country conveyed to Major Fitch by Owaneco, the son of Uncas, chief of the Mohegans. It was not the site of any established Indian settlements but was occupied at times by hunting or war parties. Ashford was crossed by the Old Connecticut Path which was originally an Indian trail over the hills near the headwaters of the streams where fording was a minor problem. Thomas Hooker followed this trail when he brought the first colonists to Connecticut, and it continued in regular use, although unsettled, until after the valley towns were incorporated. The Path was replaced by turnpikes which were traveled by such people as George Washington, Mark Twain and Odell Shepard. A suitable grade could not be found for the railroad so it was detoured around Ashford, and the Town declined until the building of the State highways. U.S. Routes 44 and 74 replaced the Providence turnpike and Interstate Route 84 replaced the Boston turnpike. Route 89 serves as a connector between them.

Electrification and town aid road grants made it possible for those seeking to leave the cities to live here and work out of town. Ashford is equipped with the Ashford Elementary School (pre-kindergarten through eighth grade), and the E.O. Smith High School which is part of Regional School District Number 19 (grades nine through twelve). The ACT Performing Arts Magnet High School and the Windham Technical School in Willimantic, and the Harvard H. Ellis School in Danielson are easily accessible and offer training in a wide variety of skills. For advanced education there is the University of Connecticut, Eastern Connecticut State University in Willimantic, the Quinebaug Valley Community College in Danielson and Manchester Community College.

The Lake Chaffee Improvement Association is the only separate tax district located within the territorial limits of the Town. Regional School District Number 19 is the only overlapping governmental entity for financial statement reporting purposes.

**FORM OF GOVERNMENT**

The Town has a Town Meeting form of government with a Board of Selectmen consisting of three elected members serving concurrent two-year terms and a Board of Finance consisting of six elected regular members and three elected alternates serving overlapping six-year terms. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes. Ashford does not have a Charter. The Town Meeting is the legislative body and must approve the annual budget, all special appropriations or expenditures over \$20,000, and all bond and note authorizations. The First Selectman, who is a member of the Board of Selectmen, is the Chief Executive Officer of the Town and is responsible for the administration of all Town matters with the exception of the education system. Presiding over the Board of Selectmen, the First Selectman has full voting privileges.

The Board of Finance is the budget-making authority and is responsible for financial and taxation matters, presenting the annual operating budget and special appropriations to the Town Meeting for its approval and establishing the tax rate.

The local Board of Education, which is an elected seven-member board, is the policy-making body for all public education, grades pre-kindergarten through eight. The Superintendent of Schools is directly responsible to the Board of Education for the supervision and administration of the education system for the Town. Grades nine through twelve are serviced by Regional School District Number 19 (the “District”) which is administered by a regional school board composed of four electors from each of its member towns of Ashford, Mansfield and Willington. The District is a separate and distinct organization operating under State legislation and is responsible for the adoption of its capital and operating budgets.

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

**MUNICIPAL OFFICIALS**

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>	<u>Years of Service</u>
Cathryn E. Silver-Smith....	First Selectman.....	2 Years – Elected	0.5
William A. Falletti.....	Selectman.....	2 Years – Elected	32.0
Roger T. Phillips.....	Selectman.....	2 Years – Elected	4.0
Sherri Mutch.....	Town Clerk.....	Appointed	10.0
Sherri Soucy.....	Treasurer.....	Appointed	1.0
Linda Gagne.....	Tax Collector.....	Appointed	32.0
Cynthia Ford.....	Superintendent.....	Appointed	1.0

Source: Town Officials.

**SUMMARY OF MUNICIPAL SERVICES**

**Public Safety:** Police protection is provided by Troop “C,” Stafford Springs, of the Connecticut State Police.

Fire protection is provided by the Ashford Volunteer Fire Department, a volunteer fire department with 60 members who attend regular drills and training sessions. The department has two companies equipped with three combination pumper/tankers, one fire/rescue truck, one forestry truck, and one ambulance.

Ambulance service for the Town is provided by the Ashford Volunteer Fire Department. The ambulance is available 24 hours a day, seven days a week, and is staffed by 24 volunteer emergency medical technicians, and effective July 1, 2024 paid staff will also be 24 hours a day, seven days a week.

**Public Health:** The Town is served by the Eastern Highlands Health District, which acts as the Town’s sanitarian and provides inspections for things like septic systems, oversees percolation testing, provides health warnings, and issues food service inspections, among other things. Service agencies providing services in the Town include VNA East, Inc., Dial-A-Ride, United Services, Inc., Women’s Center of Northeast Connecticut, Inc., and Connecticut Legal Services. The Health Link Van from the Windham Community Memorial Hospital periodically provides health screening services to Ashford residents.

**Public Education:** See “Educational System” herein.

**Sewer/Water:** The Town owns wells and a pumping station and subcontracts from Connecticut Water the operation of one community water system that serves the Pompey Hollow Senior Housing, the Earl W. Smith Senior Center, and the United Baptist Church of Ashford. The Town owns a water line extension and booster pumping station that serves properties on Nott Highway (Route 74). Operation of this water line extension is subcontracted to a Connecticut Water.

**Library:** The Babcock Library provides full library services to Town residents. The total number of items in the collection is 29,485, which includes 27,409 printed items and 2,076 non-printed items.

**Recreation:** The Town of Ashford and northeastern Connecticut offer many activities for the outdoor enthusiast including hunting, fishing, canoeing, cross country skiing, hiking and swimming. The Ashford Parks and Recreation Commission offers many activities for both children and adults, including supervised lessons for children in the summer.

**Solid Waste and Refuse Collection:** The Town operates a solid waste transfer station and recycling center. Ashford residents bring their refuse and garbage to the transfer station site. Material collected at the site is then hauled to the appropriate disposal facility by haulers contracted by the Town through the Mid Northeast Recycling Organizing Committee. Funding for the disposal of solid waste and recyclable materials is provided through the General Fund. The Town has a contract with Casella Waste to accept Town solid waste effective June 30, 2024 for a tipping fee of \$105.00 per ton plus hauling fee of \$220.00 per haul.

**Public Housing:** The Ashford Housing Authority, formed in 1987, oversees the operation of 32 housing units for the elderly and disabled. The Pompey Hollow Senior Housing complex was issued a certificate of occupancy in May of 1994.

**Senior Center:** The 3,600-square-foot Earl W. Smith Senior Center, completed and opened for use in June of 1994, was constructed using Small Cities Grant funds.

**MUNICIPAL EMPLOYMENT**

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Government.....	21	19	20	20	20
Board of Education.....	101	102	97	101	104
Total.....	<u>122</u>	<u>121</u>	<u>117</u>	<u>121</u>	<u>124</u>

Source: Town Officials.

**MUNICIPAL EMPLOYEES BARGAINING UNITS**

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<b><u>GENERAL GOVERNMENT</u></b>			
Public Works and Transfer Station.....	AFSCME.....	7	6/30/26
Town Hall.....	AFSCME.....	2	6/30/26
<b><u>BOARD OF EDUCATION</u></b>			
Certified Staff.....	Ashford Education Association.....	40	6/30/26
Non-certified Employees.....	Non-Certified Employees of the Ashford Board of Education.....	34	6/30/24

Source: Town of Ashford.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

**EDUCATIONAL FACILITIES**

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Last Remodeled</u>	<u>Classroom</u>	<u>Enrollment 10/01/23</u>	<u>Rated Capacity</u>
Aashford Elementary.....	Pre-K-8	1950	1992	32	363	600

Source: Town of Ashford, Board of Education.

**EDUCATIONAL ENROLLMENT**

<u>As of October 1</u>	<u>Actual</u>		<u>Total</u>
	<u>Pre-K-8</u>	<u>9 - 12 <sup>(1)</sup></u>	
<i>Historical</i>			
2019	332	182	514
2020	328	176	504
2021	316	196	512
2022	302	186	488
2023	293	172	465
<i>Projected</i>			
2024	290	178	468
2025	287	178	465

(1) Ashford students attending Regional Schol District Number 19.

Source: Town of Ashford, Board of Education.

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### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<u>Year</u>	<u>Town of Ashford</u>	<u>Northeastern CT Planning Region (1)</u>	<u>State of Connecticut</u>
1990	3,765	102,525	3,287,116
2000	4,098	109,091	3,405,565
2010	4,320	117,708	3,545,837
2020	4,218	116,657	3,570,549
2022	4,233	95,687	3,611,317

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Department of Commerce, Bureau of Census, 2020, 2010, 2000; U.S. Census Bureau, 2018-2022 American Community Survey.

#### AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region (1)</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	161	3.8	4,590	4.8	182,768	5.1
5 - 9.....	319	7.6	5,390	5.6	196,600	5.4
10 - 14.....	308	7.3	5,563	5.8	222,267	6.2
15 - 19.....	212	5.0	5,650	5.9	247,501	6.9
20 - 24.....	247	5.9	5,574	5.8	241,391	6.7
25 - 34.....	525	12.4	12,450	13.0	449,466	12.4
35 - 44.....	779	18.5	11,792	12.3	445,052	12.3
45 - 54.....	486	11.5	12,940	13.5	475,109	13.2
55 - 59.....	267	6.3	7,456	7.8	266,117	7.4
60 - 64.....	313	7.4	7,907	8.3	255,938	7.1
65 - 74.....	328	7.8	9,867	10.3	362,365	10.0
75 - 84.....	259	6.1	4,671	4.9	178,746	4.9
85 and over.....	14	0.3	1,837	1.9	87,997	2.4
Total .....	<u>4,218</u>	<u>100.0</u>	<u>95,687</u>	<u>100.0</u>	<u>3,611,317</u>	<u>100.0</u>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

#### INCOME DISTRIBUTION

	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region (1)</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000 .....	9	0.7	685	2.6	21,866	2.4
\$ 10,000 to 14,999 .....	20	1.6	349	1.3	13,844	1.5
\$ 15,000 to 24,999 .....	0	0.0	570	2.2	32,363	3.5
\$ 25,000 to 34,999 .....	131	10.4	1,292	5.0	38,177	4.2
\$ 35,000 to 49,999 .....	57	4.5	1,662	6.4	65,393	7.2
\$ 50,000 to 74,999 .....	61	4.8	4,321	16.6	112,628	12.4
\$ 75,000 to 99,999 .....	200	15.8	4,686	18.0	109,739	12.0
\$100,000 to 149,999 .....	167	13.2	5,756	22.1	184,504	20.2
\$150,000 to 199,999 .....	95	7.5	3,223	12.4	125,406	13.8
\$200,000 or more .....	523	41.4	3,503	13.4	207,948	22.8
Total .....	<u>1,263</u>	<u>100.0</u>	<u>26,047</u>	<u>100.0</u>	<u>911,868</u>	<u>100.0</u>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**SELECTED WEALTH AND INCOME LEVELS**

	<b>Median Family Income</b>			
	<b>(2000)</b>	<b>(2010)</b>	<b>(2020)</b>	<b>(2022) (1)</b>
Town of Ashford.....	\$56,131	\$79,157	\$133,250	\$136,406
Northeastern CT Planning Region.....	52,490	69,642	83,839	96,935
Connecticut.....	65,521	84,170	102,061	115,539
United States.....	49,600	62,982	80,069	92,646

	<b>Per Capita Income</b>			
	<b>(2000)</b>	<b>(2010)</b>	<b>(2020)</b>	<b>(2022) (1)</b>
Town of Ashford.....	\$23,374	\$32,842	\$46,602	\$51,136
Northeastern CT Planning Region.....	20,443	26,457	33,337	40,723
Connecticut.....	28,766	36,775	45,668	52,034
United States.....	21,690	27,334	35,384	41,261

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Department of Commerce, Bureau of Census, 2020, 2010, 2000; U.S. Census Bureau, 2018-2022 American Community Survey.

**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

<b>Educational Attainment Group</b>	<b>Town of Ashford</b>		<b>Northeastern CT Planning Region (1)</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	23	0.8	1,922	2.8	101,820	4.0
9th to 12th grade.....	61	2.1	4,085	5.9	118,256	4.7
High School graduate.....	1,158	39.0	24,018	34.8	650,788	25.8
Some college - no degree.....	461	15.5	14,498	21.0	414,533	16.4
Associates degree.....	227	7.6	7,145	10.4	192,167	7.6
Bachelor's degree.....	453	15.2	9,844	14.3	573,917	22.8
Graduate or professional degree.....	588	19.8	7,408	10.7	469,309	18.6
<b>Total.....</b>	<b>2,971</b>	<b>100.0</b>	<b>68,920</b>	<b>100.0</b>	<b>2,520,790</b>	<b>100.0</b>
Percent High School Graduate or Higher....		97.2%		91.3%		91.3%
Percent Bachelor's Degree or Higher.....		35.0%		25.0%		41.4%

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**MAJOR EMPLOYERS**

<b>Name of Employer</b>	<b>Nature of Entity</b>	<b>Estimated of Employee</b>
Ashford BOE.....	Town Schools.....	98
Hole in the Wall Gang Camp.....	Non-Profit Camp....	78
Town of Ashford.....	Municipality.....	39
Pith Products.....	Manufacturer.....	17
Cumberland Farms.....	Commercial.....	12
North Veterinary Clinic.....	Commercial.....	9

Source: Town Officials.

**EMPLOYMENT BY INDUSTRY**

	Northeastern CT					
	Town of Ashford		Planning Region (1)		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	22	1.2	950	2.0	7,460	0.4
Construction.....	228	12.3	3,385	7.0	112,421	6.1
Manufacturing.....	201	10.8	7,001	14.5	194,805	10.6
Wholesale trade.....	28	1.5	1,207	2.5	40,518	2.2
Retail trade.....	253	13.6	6,016	12.4	196,267	10.7
Transportation & warehousing & utilities.....	98	5.3	3,210	6.6	82,215	4.5
Information.....	43	2.3	530	1.1	36,440	2.0
Finance, insurance, real estate.....	69	3.7	2,908	6.0	164,811	9.0
Professional, scientific & management.....	173	9.3	3,883	8.0	217,442	11.9
Educational, health & social services.....	421	22.7	11,749	24.3	485,013	26.5
Arts, entertainment & recreation.....	166	8.9	4,183	8.6	148,594	8.1
Other professional services.....	61	3.3	1,475	3.0	80,864	4.4
Public administration.....	95	5.1	1,880	3.9	65,675	3.6
<b>Total.....</b>	<b>1,858</b>	<b>100.0</b>	<b>48,377</b>	<b>100.0</b>	<b>1,832,525</b>	<b>100.0</b>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**EMPLOYMENT DATA**

Yearly Average	Percentage Unemployed			
	Town of Ashford %	Hartford Labor Market %	State of Connecticut %	United States %
2014	5.6	6.6	6.6	6.2
2015	4.7	5.6	5.6	5.3
2016	4.5	4.9	4.8	4.9
2017	4.1	4.4	4.4	4.4
2018	3.7	3.9	3.9	3.9
2019	3.1	3.6	3.6	3.7
2020	6.2	7.8	8.0	8.1
2021	5.0	6.4	6.4	5.4
2022	3.6	4.1	4.1	3.7
2023	3.2	3.7	3.8	3.6
2023 Monthly				
January	4.4	4.9	5.0	4.1
February	4.9	5.2	5.4	4.2
March	4.1	4.1	4.2	3.9
April	2.7	3.6	3.5	3.5
May	3.9	4.0	4.1	3.7

Source: Department of Labor, State of Connecticut.

**NUMBER OF DWELLING UNITS**

2022	2020	2010	2000	% Increase 2020-2022	% Increase 2010-2022	% Increase 2000-2022
2,033	1,998	1,869	1,762	1.75%	8.77%	15.38%

Source: U.S. Census Bureau 2020, 2010 and 2000, 2018-2022 American Community Survey.

## CHARACTERISTICS OF HOUSING UNITS

<u>Sales Price Category</u>	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region (1)</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000 .....	23	1.6	530	1.8	20,646	2.2
\$ 50,000 to \$ 99,999 .....	61	4.3	523	1.8	19,506	2.1
\$ 100,000 to \$149,999 .....	100	7.0	1,505	5.2	46,916	5.0
\$ 150,000 to \$199,999 .....	96	6.8	4,225	14.7	96,168	10.3
\$ 200,000 to \$299,999 .....	423	29.8	11,322	39.5	238,687	25.6
\$ 300,000 to \$499,999 .....	614	43.2	8,493	29.6	307,876	33.0
\$ 500,000 to \$999,999 .....	96	6.8	1,816	6.3	149,216	16.0
\$1,000,000 and over .....	8	0.6	282	1.0	53,573	5.7
<b>Total .....</b>	<b>1,421</b>	<b>100.0</b>	<b>28,696</b>	<b>100.0</b>	<b>932,588</b>	<b>100.0</b>
 Median Value.....	 \$301,400		 \$268,500		 \$323,700	

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

## AGE DISTRIBUTION OF HOUSING

<u>Year Built</u>	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region (1)</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier.....	233	11.5	9,753	23.5	316,471	20.7
1940 - 1949.....	94	4.6	1,821	4.4	99,909	6.5
1950 - 1959.....	206	10.1	3,665	8.8	223,821	14.6
1960 - 1969.....	272	13.4	4,016	9.7	200,651	13.1
1970 - 1979.....	333	16.4	5,709	13.8	209,518	13.7
1980 - 1989.....	250	12.3	6,102	14.7	193,340	12.6
1990 - 1999.....	136	6.7	4,615	11.1	118,948	7.8
2000 - 2009.....	438	21.5	4,206	10.1	104,310	6.8
2010 - 2019.....	8	0.4	1,456	3.5	61,429	4.0
2020 or later.....	63	3.1	160	0.4	2,935	0.2
<b>Total.....</b>	<b>2,033</b>	<b>100.0</b>	<b>41,503</b>	<b>100.0</b>	<b>1,531,332</b>	<b>100.0</b>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northeastern Connecticut Planning Region. Previous to the 2022 data, Windham County data is shown.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

## NUMBER AND VALUE OF BUILDING PERMITS

<u>Calendar Year</u>	<u>Total</u>	
	<u>Numbe</u>	<u>Value</u>
2024 (1)	146	\$ 2,444,169
2023	542	10,601,410
2022	378	8,865,349
2021	368	7,344,402
2020	256	3,782,109
2019	283	5,622,050
2018	219	3,293,027
2017	288	3,634,172
2016	285	2,278,367

(1) As of May 21, 2024.

Source: Building Department, Town of Ashford.

## IV. TAX BASE DATA

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### ASSESSMENT PRACTICES

The Town of Ashford had a revaluation effective on the Grand List of October 1, 2021. The next revaluation is scheduled for October 1, 2026. Under Section 12-62 of the Connecticut General Statutes, as amended, the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Ashford for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's clerk and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval of its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has approved the use of this abatement provision.

### PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent. Motor vehicle taxes must be paid in a single installment due July 1. Real estate and personal property taxes of less than \$100 are due in full in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January.

According to Connecticut General Statutes, delinquent property taxes are subject to interest at the rate of 1.5% per month (18% per annum) for all delinquent property taxes. Real estate is liened for delinquent taxes within one year after the tax due date.

### MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2022 (the fiscal year ending June 30, 2024) is 32.46 mills.

**REAL PROPERTY TAX LEVIES AND COLLECTIONS**

<b>FY Ending 6/30</b>	<b>Net Taxable Grand List (1)</b>	<b>Total Tax Rate (In Mills)</b>	<b>Adjusted Tax Levy</b>	<b>% Annual Levy Collected</b>	<b>Uncollected Taxes</b>	
					<b>End of Each Fiscal Year</b>	<b>As of 6/30/2023</b>
2025	\$ 370,263,012	34.364 (2)	\$12,389,805	In Process	In Process	In Process
2024	369,358,089	33.085 (2)	11,961,578	In Process	In Process	In Process
2023 (1)	365,691,095	32.265	11,898,802	98.2	\$ 219,957	\$ 219,957
2022	308,202,880	36.369	11,329,452	98.3	\$ 196,223	113,939
2021	305,594,167	36.836	11,336,963	98.2	206,971	52,223
2020	303,790,134	35.460	10,842,008	98.2	191,518	42,107
2019	301,252,224	34.770	10,264,163	98.2	194,778	42,913
2018 (1)	297,170,266	34.370	10,203,872	97.9	212,605	30,206
2017	298,544,696	32.370	9,742,572	98.0	169,351	31,133
2016	297,739,652	32.960	9,881,007	98.2	180,064	22,144

(1) Revaluation year.

(2) Mill rate for Real Estate and Person Property was levied at 34.364 mills; mill rate for Motor Vehicles was levied at 32.46 mills.

Source: Tax Collector's Office, Town of Ashford.

**TAXABLE GRAND LIST (1)**

<b>Grand List Dated</b>	<b>Real Property %</b>	<b>Personal Property %</b>	<b>Motor Vehicle %</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>
10/01/23	83.1	5.0	11.9	\$375,119,681	\$ 4,856,669	\$370,263,012
10/01/22	83.2	4.4	12.4	373,953,450	4,595,361	369,358,089
10/01/21 (2)	83.7	4.4	11.9	370,204,107	4,513,012	365,691,095
10/01/20	84.0	5.0	11.0	311,769,141	3,566,261	308,202,880
10/01/19	84.2	4.8	11.0	309,857,026	4,262,859	305,594,167
10/01/18	84.7	4.6	10.7	308,006,566	4,216,432	303,790,134
10/01/17	85.3	4.2	10.4	305,593,481	4,341,257	301,252,224
10/01/16 (2)	85.9	3.7	10.4	301,106,496	3,936,230	297,170,266
10/01/15	86.3	3.5	10.2	302,461,798	3,917,102	298,544,696
10/01/14	86.7	3.2	10.2	301,066,933	3,327,281	297,739,652

(1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1 (Includes Board of Assessment Appeals). A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/1/21). The next revaluation is scheduled for 10/1/26.

(2) Years of revaluation. (See "Assessments Practices" herein).

Source: Assessor's Office, Town of Ashford.

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**LARGEST TAXPAYERS**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount</u>	<u>Rank</u>	<u>Percent of Total</u>
Eversource.....	Public Utility.....	\$ 8,866,740	1	2.39
Ben Equities LLC.....	Apartments.....	2,710,190	2	0.73
Comet Equities LLC.....	Apartments.....	2,541,560	3	0.69
Ashford Hill at 95 LLC.....	Apartments.....	2,425,640	4	0.66
PAI Equities LLC.....	Apartments.....	1,940,120	5	0.52
AB Realty LLC.....	Commercial.....	1,860,110	6	0.50
NJV LLC.....	Campground.....	1,620,850	7	0.44
Knowlton Thomas E.....	Farm.....	1,192,130	8	0.32
Set Equities LLC.....	Apartments.....	1,135,680	9	0.31
Jordan Realty LLC.....	Commercial.....	1,119,930	10	0.30
<b>Total</b>		<b>\$25,412,950</b>		<b>6.86</b>

Source: Assessors Office, Town of Ashford.

**EQUALIZED NET GRAND LIST**

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2022	\$ 660,102,726	26.03%
2021 (1)	523,776,339	-4.05%
2020	545,880,312	8.70%
2019	502,174,333	4.04%
2018	482,676,223	6.49%
2017	453,251,481	6.29%
2016 (1)	426,435,909	-3.65%
2015	442,599,628	5.16%
2014	420,881,941	3.49%
2013	406,706,663	0.79%

(1) Years of revaluation.

Source: State of Connecticut, Office of Policy and Management.

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## V. FINANCIAL INFORMATION

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### FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

### ACCOUNTING POLICIES

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

*Management's Discussion and Analysis* – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

*Government-wide financial statements* – consist of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds) funds. Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

*Fund financial statements* – provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

*Required supplementary information* – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A under "Basic Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town.

### BUDGETARY PROCEDURES

Formal budgetary integration is employed by the Board of Finance. Annual operating budget requests are prepared by each department head, agency, board or commission and submitted to the Board of Selectmen. The Superintendent of Schools for the local school system submits the education budget to the Ashford Board of Education, which has the authority to increase or decrease the Superintendent's budget requests. The Ashford Board of Education's approved budget is presented to the Board of Finance and Board of Selectmen. The Board of Selectman shall present to the Board of Finance a proposed budget for the Town's operating program and expenditures for the Town functions and Town-supported functions, other than those of the Board of Education. The Region 19 Board of Education shall hold a public hearing to present the Regional School District 19 Superintendent's proposed budget. After, one or more public hearings, the Board of Finance may increase or decrease individual line items in the budget requests for general government agencies and departments, but may increase or decrease the bottom line only for education budget requests. A Town Meeting is called for approval of the budget. The Town Meeting has the authority to decrease individual line items in the budget requests for general government agencies and departments but may decrease the bottom line only for Ashford education budget requests (the Region 19 budget cannot be approved or lowered during this meeting as it is subject to a separate region 19 referendum). The annual Town Meeting will adjourn to a referendum. If the budget is not adopted at referendum by July 1, the last budget adopted by referendum shall remain in effect for the new fiscal year until a new budget is approved at referendum.

The Board of Selectmen and Board of Education are authorized to transfer budgeted amounts within departments. The Board of Finance must approve transfers of budgeted amount between departments. The Board of Finance can approve additional appropriations for a department provided such additional appropriations do not exceed \$20,000. Appropriations in excess of \$20,000 must be submitted to a Town Meeting for approval.

Except for encumbrance accounting in the General Fund, all budgets are prepared on the modified accrual basis of accounting. Unencumbered appropriations lapse at fiscal year-end, except for capital project budgets, which remain in effect until completion.

## **MUNICIPAL BUDGET EXPENDITURE CAP**

Connecticut General Statutes Section 4-66l, as amended, creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State’s municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality’s percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality’s population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

## **ANNUAL AUDIT**

Pursuant to Connecticut law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2023, the examination was conducted by the firm of King, King & Associates, P.C. certified public accountants, of Winsted, Connecticut.

## **EMPLOYEE PENSION SYSTEMS**

### ***Defined Contribution 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 the 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.

Employer contributions totaled \$74,730 for the year ended June 30, 2023.

### ***Connecticut State Teachers’ Retirement System***

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers’ Retirement Board. Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan.

***For further information on the plans, please refer to Appendix A under the Town of Ashford’s “Notes to the Financial Statements, Note 9, herein.***

## **OTHER POST EMPLOYMENT BENEFITS**

The Town’s Board of Education administers a single-employer defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides healthcare and dental insurance benefits for all eligible Board of Education retirees and 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. 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.

The OPEB plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

In accordance with GASB Statement No. 74, the components of the OPEB liability of the Town’s pension plan as of June 30 were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability.....	\$440,921	\$947,872	\$894,977	\$788,209	\$375,173
Plan fiduciary net postion.....	-	-	-	-	-
Net pension liability.....	<u>\$440,921</u>	<u>\$947,872</u>	<u>\$894,977</u>	<u>\$788,209</u>	<u>\$375,173</u>
Plan fiduciary net position as a % of total pension liability.....	0.00%	0.00%	0.00%	0.00%	0.00%

The following presents the OPEB liability, determined by measurement on June 30, 2023, calculated using the discount rate of 3.86% for the OPEB liability, as well as what the net pension 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.

	<u>1% Decrease</u> <u>2.86%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.86%</u>	<u>1% Increase</u> <u>4.86%</u>
Net Town OPEB Liability.....	\$ 495,494	\$ 440,921	\$ 395,377

The following presents the OPEB liability, determined by measurement on June 30, 2023, calculated using the healthcare trend rates for the OPEB liability, as well as what the net pension 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.

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1% Increase</u>
Net Town OPEB Liability.....	\$ 387,369	\$ 440,921	\$ 505,822

*For further information on the plans, please refer to Appendix A under the Town of Ashford’s “Notes to Financial Statements, Note 9”, herein.*

**INVESTMENT POLICIES AND PRACTICES**

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in the State’s Short Term Investment Fund, certificates of deposit, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The Town manages the investment of its funds in compliance with the Connecticut General Statutes.

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**PROPERTY TAX REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Property Tax Revenues</b>	<b>Property Tax as a % of General Fund Revenues</b>
2025 (1)	\$ 16,481,191	\$ 12,599,805	76.45
2024 (1)	16,098,273	12,176,578	75.64
2023	17,803,412	11,895,297	66.81
2022	16,739,179	11,423,208	68.24
2021	16,616,695	11,361,665	68.37
2020	16,253,529	10,830,452	66.63
2019	16,038,396	10,592,253	66.04
2018	17,993,722	10,213,454	56.76
2017	15,069,560	9,717,373	64.48
2016	15,379,831	9,949,890	64.69

(1) Adopted budget.

**INTERGOVERNMENTAL REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Intergovernmental Revenues</b>	<b>Aid As a % of General Fund</b>
2025 (1)	\$ 16,481,191	\$ 3,459,062	20.99
2024 (1)	16,098,273	3,674,825	22.83
2023	17,803,412	5,184,613	29.12
2022	16,739,179	4,767,411	28.48
2021	16,616,695	4,762,116	28.66
2020	16,253,529	4,914,852	30.24
2019	16,038,396	5,010,930	31.24
2018	17,993,722	4,352,678	24.19
2017	15,069,560	4,901,008	32.52
2016	15,379,831	4,985,298	32.41

(1) Adopted budget.

**EXPENDITURES**

<b>Fiscal Year</b>	<b>Education %</b>	<b>Public Works %</b>	<b>General Government %</b>	<b>Employee Benefits and Insurance %</b>	<b>Debt Service %</b>
2025 (1)	80.60	6.66	6.99	3.29	0.27
2024 (1)	80.30	7.06	6.69	3.72	0.28
2023	79.54	6.10	5.34	2.79	1.50
2022	78.78	6.29	5.70	2.92	1.55
2021	79.32	6.17	5.50	2.69	1.56
2020	80.35	5.69	5.21	2.55	1.64
2019	79.42	5.81	5.24	2.57	1.70
2018	79.75	5.72	5.45	2.65	1.91
2017	78.49	5.91	5.03	2.65	1.94
2016	79.31	5.79	5.23	2.55	2.04

(1) Adopted budget.

**COMPARATIVE GENERAL FUND OPERATING STATEMENT**  
 Budget and Actual  
 (Budgetary Basis)

	Fiscal Year 2022-23			2023-24 Adopted Budget	2024-25 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
<b>REVENUES</b>					
Property taxes.....	\$11,759,219	\$ 11,895,297	\$ 136,078	\$ 12,176,578	\$ 12,599,805
Intergovernmental.....	3,730,262	3,930,640	200,378	3,674,825	3,459,062
Charges for services .....	161,000	226,970	65,970	159,075	180,195
Interest income.....	13,000	169,982	156,982	75,000	130,000
Other revenues.....	18,200	30,065	11,865	12,795	112,129
<b>TOTAL REVENUES.....</b>	<b>15,681,681</b>	<b>16,252,954</b>	<b>571,273</b>	<b>16,098,273</b>	<b>16,481,191</b>
<b>EXPENDITURES</b>					
Current:					
General government.....	1,041,421	897,216	144,205	1,020,584	1,077,955
Public safety.....	29,635	19,713	9,922	32,085	32,035
Public works.....	1,058,072	1,019,066	39,006	1,077,872	1,028,124
Health & Welfare.....	55,136	53,022	2,114	75,394	82,647
Planning & Development.....	176,581	155,735	20,846	158,731	172,403
Education.....	11,839,967	11,755,752	84,215	12,259,023	12,438,373
Employee Benefits.....	449,899	432,040	17,859	521,679	460,103
Insurance.....	39,000	34,532	4,468	46,830	48,235
Contingency.....	13,813	-	13,813	31,000	50,000
Debt service.....	235,800	235,800	-	43,000	41,800
<b>TOTAL EXPENDITURES.....</b>	<b>14,939,324</b>	<b>14,602,876</b>	<b>336,448</b>	<b>15,266,198</b>	<b>15,431,675</b>
Revenues over expenditures.....	742,357	1,650,078	907,721	832,075	1,049,516
<b>OTHER FINANCING SOURCES (USES)</b>					
Appropriation of fund balance.....	346,774	-	(346,774)		
Operating transfers in.....	-	-	-		
Operating transfers out.....	(1,089,131)	(1,089,131)	-	(832,075)	(1,049,516)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(742,357)</b>	<b>(1,089,131)</b>	<b>(346,774)</b>	<b>(832,075)</b>	<b>(1,049,516)</b>
Net change in budgetary fund balance.....	\$ -	560,947	\$ 560,947	\$ -	\$ -

Source: Audit Report 2023; Adopted Budgets 2024 and 2025.

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**COMPARATIVE GENERAL FUND BALANCE SHEET**  
Summary of Audited Assets and Liabilities  
(GAAP Basis)

Fiscal Year Ended:	2019	2020	2021	2022	2023
<b>ASSETS</b>					
Cash and cash equivalents.....	\$3,961,718	\$3,304,342	\$4,334,944	\$3,961,718	\$4,645,075
Restricted cash.....	14,000	-	13,986	14,000	14,009
Investments.....	-	-	-	-	50,497
Receivables net of allowance.....	727,889	627,139	720,413	727,889	824,457
Other.....	460	460	460	460	7,085
Due from other funds.....	9,131	87,356	74,847	9,131	22,485
<b>Total Assets.....</b>	<b>\$4,713,198</b>	<b>\$4,019,297</b>	<b>\$5,144,650</b>	<b>\$4,713,198</b>	<b>\$5,563,608</b>
<b>LIABILITIES</b>					
Accounts payable and accrued tems....	\$ 585,190	\$ 549,515	\$ 823,525	\$ 585,190	\$ 845,269
Unearned revenues.....	18,080	5,150	-	48,080	1,320
Performance bonds.....	14,000	-	13,986	14,000	14,009
Due to other funds.....	1,047,812	680,083	1,449,751	1,047,812	1,089,409
<b>Total Liabilities.....</b>	<b>1,665,082</b>	<b>1,234,748</b>	<b>2,287,262</b>	<b>1,695,082</b>	<b>1,950,007</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue.....	634,694	573,687	653,980	634,694	745,883
<b>Total Deferred Inflows of Resources..</b>	<b>634,694</b>	<b>573,687</b>	<b>653,980</b>	<b>634,694</b>	<b>745,883</b>
<b>FUND BALANCES</b>					
Nonspendable.....	-	-	-	-	-
Committed.....	341,664	141,840	250,694	341,664	315,019
Assigned.....	-	109,399	13,997	-	-
Unassigned.....	2,071,758	1,959,623	1,938,717	2,071,758	2,552,699
<b>Total Fund Balances.....</b>	<b>2,413,422</b>	<b>2,210,862</b>	<b>2,203,408</b>	<b>2,413,422</b>	<b>2,867,718</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances.....</b>	<b>\$4,713,198</b>	<b>\$4,019,297</b>	<b>\$5,144,650</b>	<b>\$4,743,198</b>	<b>\$5,563,608</b>

Source: Audit Reports 2019-2023.

**ANALYSIS OF GENERAL FUND EQUITY**  
(GAAP BASIS)

	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23
Committed.....	\$ 124,089	\$ 341,664	\$ 141,840	\$ 250,694	\$ 341,664	\$ 315,019
Assigned.....	89,468	-	109,399	13,997	-	-
Unassigned.....	1,796,923	2,071,758	1,959,623	1,938,717	2,071,758	2,552,699
<b>Total Fund Balance.....</b>	<b>\$ 2,010,480</b>	<b>\$ 2,413,422</b>	<b>\$ 2,210,862</b>	<b>\$ 2,203,408</b>	<b>\$ 2,413,422</b>	<b>\$ 2,867,718</b>
Total Fund Balance as % of						
Total Expenditures & Transfers.....	13.34%	15.11%	13.67%	13.25%	14.57%	16.53%

Source: Audit Reports 2018-2023.

**COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES**  
 Summary of Audited Revenues and Expenditures  
 (GAAP Basis)

<b>Fiscal Year Ended:</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Revenues</b>					
Property taxes.....	\$10,592,253	\$10,830,452	\$11,361,665	\$11,423,208	\$11,895,297
Intergovernmental.....	5,010,930	4,914,852	4,762,116	4,767,411	5,184,613
Licenses, permits and charges for services.....	368,238	393,076	437,262	492,385	518,612
Interest income.....	50,595	45,144	9,590	17,076	170,493
Other.....	16,380	70,005	46,062	39,099	34,397
<b>Total Revenues.....</b>	<b>16,038,396</b>	<b>16,253,529</b>	<b>16,616,695</b>	<b>16,739,179</b>	<b>17,803,412</b>
<b>Expenditures</b>					
General government.....	819,320	822,741	884,572	920,651	892,099
Public safety.....	251,487	276,659	354,562	350,940	402,908
Public works.....	909,890	897,638	992,632	1,016,052	1,019,066
Health and welfare.....	49,958	50,590	49,303	51,799	53,022
Planning and development.....	144,924	160,952	167,692	161,366	170,735
Education.....	12,426,731	12,680,758	12,755,373	12,724,165	13,278,394
Library.....	197,577	231,683	194,256	171,647	159,486
Employee benefits and insurance...	401,386	401,726	431,817	471,721	466,572
Debt service.....	266,525	258,650	250,775	250,706	250,898
Capital outlay.....	-	-	-	32,223	-
<b>Total Expenditures.....</b>	<b>15,467,798</b>	<b>15,781,397</b>	<b>16,080,982</b>	<b>16,151,270</b>	<b>16,693,180</b>
Revenues over expenditures.....	570,598	472,132	535,713	587,909	1,110,232
<b>Other Financing Sources (Uses)</b>					
Transfer in.....	-	45,838	-	-	-
Transfer out.....	(500,433)	(387,753)	(543,167)	(410,118)	(655,936)
Lease liabilities issued.....	-	-	-	32,223	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(500,433)</b>	<b>(341,915)</b>	<b>(543,167)</b>	<b>(377,895)</b>	<b>(655,936)</b>
Net change in fund balances.....	70,165	130,217	(7,454)	210,014	454,296
Fund Balance - July 1.....	2,010,480	2,080,645	2,210,862	2,203,408	2,413,422
Fund Balance - June 30.....	<u>\$ 2,080,645</u>	<u>\$ 2,210,862</u>	<u>\$ 2,203,408</u>	<u>\$ 2,413,422</u>	<u>\$ 2,867,718</u>

Source: Audit Reports 2019-2023.

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**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of July 23, 2024  
(Pro Forma)

**Long-Term Debt: Bonds**

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 7/23/2024</u>	<u>Date of Fiscal Year Maturity</u>
<i>General Purpose</i>					
4/16/2013	Refunding - General Purpose .....	3.00 - 4.00	\$ 2,640,000	\$ 310,000	2033
			<u>\$ 2,640,000</u>	<u>\$ 310,000</u>	

**Short-Term Debt: Notes**

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding 7/23/2024</u>	<u>Date of Maturity</u>
<i>Schools</i>					
7/23/2024	Schools (This Issue).....	TBD	\$ 4,000,000	\$ 4,000,000	7/22/2025
	<b>Total .....</b>		<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	

**Other Long-Term Commitments:**

Equipment Financing Note:

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

<u>Fiscal Year June 30:</u>	<u>Principal Only</u>
2025	\$ 106,009
2026	78,175
Total Equipment Financing Note....	<u>\$ 184,184</u>

Leases Payable:

The Town has entered into various leases for copiers and printers.

<u>Fiscal Year June 30:</u>	<u>Principal Only</u>
2025	\$ 14,466
2026	11,417
2027	4,548
Total Leases.....	<u>\$ 30,431</u>

**SCHOOL BUILDING GRANT REIMBURSEMENTS**

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs. Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during certain phases of construction.

The following projects are being reimbursed at the estimated reimbursement rate shown below:

<u>Project</u>	<u>Amount of Total Authorization</u>	<u>Estimated Eligible Cost For Reimbursement</u>	<u>Reimbursement Rate (%)</u>	<u>Estimated Grant (1)</u>
Ashford School Roof Replacement Project.....	\$ 5,000,000	\$ 4,000,000	65.36	\$ 2,614,400

(1) Estimated grants for total project. Eligible costs to be determined upon completion of the project audit and are likely to change.

**SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY**

As of July 23, 2024

(Pro Forma)

<b>Fiscal Year</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>
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	35,000	6,700	41,700
2030	35,000	5,300	40,300
2031	35,000	3,900	38,900
2032	40,000	2,400	42,400
2033	40,000	800	40,800
	<u>\$ 310,000</u>	<u>\$ 59,000</u>	<u>\$ 369,000</u>

**THE TOWN OF ASHFORD, CONNECTICUT HAS NEVER DEFAULTED ON THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES**

**OVERLAPPING AND UNDERLYING INDEBTEDNESS**

The Town is a member of Regional School District Number 19, along with the Towns of Mansfield and Willington. The below represents the Town’s overlapping debt.

<b>Amount of Outstanding Debt (1)</b>	<b>Applicable % of Net Debt Charged to Town</b>	<b>Town Net Overlapping Debt (1)</b>
\$ 1,455,000	18.580%	\$ 270,339

(1) As of July 23, 2024.

The Town has no underlying debt.

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**DEBT STATEMENT**

As of July 23, 2024

(Pro Forma)

<b>Long-Term Indebtedness (1)</b>	
General Purpose.....	\$ 310,000
Schools.....	-
<b>Total Long-Term Indebtedness.....</b>	<b>310,000</b>
<b>Short-Term Indebtedness</b>	
The Notes (This Issue).....	4,000,000
<b>Total Direct Indebtedness</b>	<b>4,310,000</b>
<b>Exclusions: (School building grants receivable).....</b>	<b>-</b>
<b>Total Net Direct Indebtedness.....</b>	<b>4,310,000</b>
<b>Total Underlying and Net Overlapping Indebtedness (2).....</b>	<b>270,339</b>
<b>Total Net Direct and Overlapping Indebtedness.....</b>	<b>\$ 4,580,339</b>

(1) Does not include authorized but unissued debt in the amount of \$1,000,000. See "Authorized but Unissued Debt" herein.

(2) Represents the Town's share of Regional School District Number 19 Net Direct Indebtedness. The percentage of participation for the 2023-24 Fiscal Year was 18.37%.

**CURRENT DEBT RATIOS**

As of July 23, 2024

(Pro Forma)

Total Direct Indebtedness.....	\$ 4,310,000
Total Net Direct Indebtedness.....	\$ 4,310,000
Total Net Direct Indebtedness.....	\$ 4,580,339
Population (1).....	4,233
Net Taxable Grand List (10/1/23).....	\$ 370,263,012
Estimated Full Value.....	\$ 528,947,160
Equalized Net Taxable Grand List (2022) (2).....	\$ 660,102,726
Per Capita Income (2022) (1).....	\$ 51,136
<b>Total Direct Indebtedness:</b>	
Per Capita.....	\$1,018.19
To Net Taxable Grand List .....	1.16%
To Estimated Full Value .....	0.81%
To Equalized Net Taxable Grand List.....	0.65%
Per Capita to Per Capita Income.....	1.99%
<b>Total Net Direct Indebtedness:</b>	
Per Capita.....	\$1,018.19
To Net Taxable Grand List.....	1.16%
To Estimated Full Value.....	0.81%
To Equalized Net Taxable Grand List.....	0.65%
Per Capita to Per Capita Income.....	1.99%
<b>Total Net Direct and Net Overlapping Indebtedness:</b>	
Per Capita.....	\$1,082.06
To Net Taxable Grand List.....	1.24%
To Estimated Full Value.....	0.87%
To Equalized Net Taxable Grand List.....	0.69%
Per Capita to Per Capita Income.....	2.12%

(1) U.S. Census Bureau, 2018-2022 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

## LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the authorization by the Town's voters at a Special Town Meeting or referendum. Refunding bonds may be issued upon resolution of the Board of Selectmen.

### TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued. Bond anticipation notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or such notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such notes remain outstanding, in an amount equal to a minimum of 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects, certain school projects and in certain instances, refundings) of the estimated net project cost (CGS Sec. 7-378a). The maximum term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

All temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes issued to finance the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a) may be issued for up to 15 years. In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, such notes must be reduced by 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

### LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

**STATEMENT OF STATUTORY DEBT LIMITATION (1)**

As of July 23, 2024

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2022 (including interest and lien fees)	\$ 11,411,822
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	-
Base for Establishing Debt Limit	<u>\$ 11,411,822</u>

<u>Debt Limitation</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 25,676,600					
(4.50 times base).....		\$ 51,353,199				
(3.75 times base).....			\$ 42,794,333			
(3.25 times base).....				\$ 37,088,422		
(3.00 times base).....					\$ 34,235,466	
(7.00 times base).....						\$ 79,882,754
<b>Indebtedness (Including the Bonds)</b>						
Bonds Payable.....	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ 310,000
The Notes (This Issue).....	-	4,000,000	-	-	-	4,000,000
Overlapping and Underlying Debt (1).....	-	-	270,339	-	-	270,339
Authorized but Unissued Debt.....	-	1,000,000	-	-	-	1,000,000
Total Indebtedness.....	310,000	5,000,000	270,339	-	-	5,580,339
Less:						
School grants receivable (2)....	-	-	-	-	-	-
Total Net Indebtedness.....	310,000	5,000,000	270,339	-	-	5,580,339
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$ 25,366,600</u>	<u>\$ 46,353,199</u>	<u>\$ 42,523,994</u>	<u>\$ 37,088,422</u>	<u>\$ 34,235,466</u>	<u>\$ 74,302,415</u>

- (1) Represents the Town's share of Regional School District Number 19 Net Direct Indebtedness. The percentage of participation for the 2023-24 Fiscal Year was 18.37%.
- (2) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$2,614,400 during the construction of the projects. As of July 23, 2024, the Town has not received any progress payments. (See "School Projects" and "Authorized but Unissued Debt" herein).

**AUTHORIZED BUT UNISSUED DEBT**

As of July 23, 2024

(Pro Forma)

<u>Projects</u>	<u>Amount Authorized</u>	<u>Paydowns/ Grants</u>	<u>The Notes (This Issue)</u>	<u>Authorized But Unissued</u>
Ashford School Roof Replacement Project (1).....	\$ 5,000,000	\$ -	\$ 4,000,000	\$ 1,000,000

- (1) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$2,614,400 during the construction of the projects. As of July 23, 2024, the Town has not received any progress payments. (See "School Projects" herein).

Source: Town of Ashford, Finance Office.

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## HISTORICAL DEBT STATEMENT

Fiscal Years Ending June 30

	<u>2023-24 (1)</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Population (2).....	4,233	4,233	4,233	4,233	4,233
Net taxable grand list.....	\$ 369,358,089	\$ 365,691,095	\$ 308,202,880	\$ 305,594,167	\$ 303,790,134
Estimated full value.....	\$ 527,654,413	\$ 522,415,850	\$ 440,289,829	\$ 436,563,096	\$ 433,985,906
Equalized net taxable grand list (3).....	\$ 660,102,726	\$ 523,776,339	\$ 545,880,312	\$ 502,174,333	\$ 482,676,223
Per capita income (2).....	\$ 51,136	\$ 51,136	\$ 51,136	\$ 51,136	\$ 51,136
Short-term debt - Financing Notes.....	\$ 184,184	\$ 288,352	\$ 390,747	\$ -	\$ -
Long-term debt.....	\$ 310,000	\$ 340,000	\$ 560,000	\$ 780,000	\$ 1,005,000
Total Direct Indebtedness.....	\$ 494,184	\$ 628,352	\$ 950,747	\$ 780,000	\$ 1,005,000
Net Direct Indebtedness.....	\$ 494,184	\$ 628,352	\$ 950,747	\$ 780,000	\$ 1,005,000
Net Overlapping Indebtedness.....	\$ 270,339	\$ 307,698	\$ 1,376,474	\$ 1,060,282	\$ 180,048
Total Net Direct and Net Overlapping Indebtedness.....	\$ 764,523	\$ 936,050	\$ 2,327,221	\$ 1,840,282	\$ 1,185,048

(1) Unaudited Estimates.

(2) U.S. Census Bureau, 2018-2022 American Community Survey.

(3) Office of Policy and Management, State of Connecticut.

Source: Annual Audited Financial Statements 2020-2023.

## HISTORICAL DEBT RATIOS

Fiscal Year Ending June 30

	<u>2023-24 (1)</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
<b>Total Direct Indebtedness:</b>					
Per capita.....	\$116.75	\$148.44	\$224.60	\$184.27	\$237.42
To net taxable grand list.....	0.13%	0.17%	0.31%	0.26%	0.33%
To estimated full value.....	0.09%	0.12%	0.22%	0.18%	0.23%
To equalized net taxable grand list.....	0.07%	0.12%	0.17%	0.16%	0.21%
Debt per capita to per capita income.....	0.23%	0.29%	0.44%	0.36%	0.46%
<b>Net Direct Indebtedness:</b>					
Per capita.....	\$116.75	\$148.44	\$224.60	\$184.27	\$237.42
To net taxable grand list.....	0.13%	0.17%	0.31%	0.26%	0.33%
To estimated full value.....	0.09%	0.12%	0.22%	0.18%	0.23%
To equalized net taxable grand list.....	0.07%	0.12%	0.17%	0.16%	0.21%
Debt per capita to per capita income.....	0.23%	0.29%	0.44%	0.36%	0.46%
<b>Net Direct and Net Overlapping Indebtedness:</b>					
Per capita.....	\$180.61	\$221.13	\$549.78	\$434.75	\$279.95
To net taxable grand list.....	0.21%	0.26%	0.76%	0.60%	0.39%
To estimated full value.....	0.14%	0.18%	0.53%	0.42%	0.27%
To equalized net taxable grand list.....	0.12%	0.18%	0.43%	0.37%	0.25%
Debt per capita to per capita income.....	0.35%	0.43%	1.08%	0.85%	0.55%

(1) Unaudited Estimates.

Source: Annual Audited Financial Statements 2020-2023

**RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES AND TRANSFERS OUT**

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures and Transfers out</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</b>
2025 (1)	\$ 41,800	\$ 16,481,191	0.25%
2024 (1)	43,000	16,098,273	0.27%
2023	250,898	17,349,116	1.45%
2022	250,706	16,561,388	1.51%
2021	250,775	16,624,149	1.51%
2020	258,650	16,169,150	1.60%
2019	266,525	15,968,231	1.67%
2018	278,350	15,072,858	1.85%
2017	284,100	14,812,126	1.92%
2016	304,092	15,274,189	1.99%

(1) Adopted Budget

*[The remainder of this page had been intentionally left blank]*

## VII. LEGAL AND OTHER LITIGATION

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### LITIGATION

The Town of Ashford, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. It is the Town Attorney's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

### MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy.

### DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Upon delivery of the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman and the Town Treasurer, which will be dated the date of delivery and which will certify to the best of said officials' knowledge and belief, that at the time bids were accepted on the Notes, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact, necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut substantially in the form attached hereto as Appendix B;
4. An executed Continuing Disclosure Agreement for the Notes in substantially the form attached hereto as Appendix C;
5. A receipt for the purchase price of the Notes;
6. Within seven business days of the bid opening, the Town will furnish the winning bidders(s) of the Notes a reasonable number of copies of the Official Statement, as prepared by the Town

A record of the proceedings taken by the Town in authorizing the Notes will be kept on file at the principal office of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum St., 27th Floor, Hartford, Connecticut, and will be available for examination upon reasonable request.

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**CONCLUDING STATEMENT**

Additional information concerning the Town and this issue may be obtained upon request from the Treasurer Office at (860) 487-4405 or from Municipal Advisor at (203) 421-2087.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes.

This Official Statement has been duly authorized and approved by the Town and duly executed and delivered on its behalf by the Town.

**TOWN OF ASHFORD, CONNECTICUT**

By: \_\_\_\_\_  
Cathryn E. Silver-Smith, *First Selectman*

By: \_\_\_\_\_  
Sherri Soucy, *Treasurer*

**Dated as of June 28, 2024**

**APPENDIX A - FINANCIAL STATEMENTS**

**TOWN OF ASHFORD, CONNECTICUT**

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**JUNE 30, 2023**

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**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of Ashford for the Fiscal Year ending June 30, 2023 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Treasurer, Town of Ashford, Connecticut.



## 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

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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

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**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
<b>REVENUES</b>			
<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
<b>EXPENSES</b>			
<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

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**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
<b>Assets</b>	
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
<b>Total Assets</b>	<u>23,351,532</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	<u>11,346</u>
<b>Liabilities</b>	
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
<b>Total Liabilities</b>	<u>2,889,415</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>
<b>Net Position</b>	
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
<b>Total Net Position</b>	<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	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 1,332,018	\$ 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	<u>\$ 18,372,503</u>	<u>\$ 644,248</u>	<u>\$ 6,427,220</u>	<u>\$ 815,880</u>	<u>(10,485,155)</u>
General Revenues:					
Property Taxes, Payment in Lieu of Taxes, Interest and Lien Fees					12,006,486
Grants and Contributions not Restricted to Specific Programs					323,678
Unrestricted Investment Earnings					172,104
Other					88,016
Total General Revenues					<u>12,590,284</u>
Change in Net Position					2,105,129
Net Position - Beginning of Year					<u>18,368,334</u>
Net Position - End of Year					<u>\$ 20,473,463</u>

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
<b>Assets</b>						
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
<b>Total Assets</b>	<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>
<b>Liabilities</b>						
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
<b>Total Liabilities</b>	<u>1,950,007</u>	<u>-</u>	<u>13,720</u>	<u>671,136</u>	<u>134,848</u>	<u>2,769,711</u>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenues:						
Property Taxes and Interest	745,883	-	-	-	-	745,883
<b>Fund Balances</b>						
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
<b>Total Fund Balances</b>	<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>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<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

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<b>Fund balances reported in governmental funds Balance Sheet</b>	\$ 5,405,690
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
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>
<b>Net position of governmental activities</b>	<b><u>\$ 20,473,463</u></b>

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
<b>Revenues</b>						
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>
<b>Expenditures</b>						
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
<b>Other Financing Sources/(Uses)</b>						
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

**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>	506,951

**Change in net position of governmental activities** **\$ 2,105,129**

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

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	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>			
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
<b>Total Assets</b>	<u>1,663,633</u>	<u>141,226</u>	<u>19,378</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Payables	-	-	434
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>434</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Restricted for Pension Benefits	1,663,633	-	-
Restricted for Scholarships	-	141,226	-
Restricted for Individuals and Organizations	-	-	18,944
<b>Total Net Position</b>	<u>\$ 1,663,633</u>	<u>\$ 141,226</u>	<u>\$ 18,944</u>

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

**TOWN OF ASHFORD, CONNECTICUT**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>Additions</b>			
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
<b>Deductions</b>			
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

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**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

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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

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- 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

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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

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*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

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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

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- 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

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**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
<b>Receivables:</b>					
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>
<b>Less Allowance for</b>					
<b>Uncollectibles:</b>					
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
<b>General Fund:</b>	
Held for a Future Period	\$ 1,320
<b>ARPA Grant Fund:</b>	
Advances on Grants	653,987
<b>Nonmajor Funds:</b>	
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

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**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>
<b>Governmental Activities</b>				
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:

<b>Governmental Activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Bonds Payable:</b>					
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
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ 81,000	\$ 81,000
<b>Restricted for:</b>					
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>
<b>Committed to:</b>					
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

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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](http://www.ct.gov).

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

*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

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*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

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*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

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*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:

<b>Discount Rate</b>	3.86% as of June 30, 2023
<b>Healthcare Cost Trend Rates:</b>	
<b>Medical</b>	4.70% decreasing to an ultimate rate of 4.20%
<b>Prescription Drug</b>	5.20% decreasing to an ultimate rate of 4.20%
<b>Dental</b>	3.50% decreasing to an ultimate rate of 3.00%
<b>Vision</b>	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](http://www.ct.gov).

**TOWN OF ASHFORD, CONNECTICUT**  
Notes to the Financial Statements

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*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

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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

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- 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

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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

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**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	
<b>Revenues</b>				
Property Taxes	\$ 11,759,219	\$ 11,759,219	\$ <b>11,895,297</b>	\$ 136,078
Intergovernmental	3,730,262	3,730,262	<b>3,930,640</b>	200,378
Charges for Services	161,000	161,000	<b>226,970</b>	65,970
Investment Income	13,000	13,000	<b>169,982</b>	156,982
Other	18,200	18,200	<b>30,065</b>	11,865
<b>Total Revenues</b>	<u>15,681,681</u>	<u>15,681,681</u>	<u><b>16,252,954</b></u>	<u>571,273</u>
<b>Expenditures</b>				
Current:				
General Government	1,015,402	1,041,421	<b>897,216</b>	(144,205)
Public Safety	29,635	29,635	<b>19,713</b>	(9,922)
Public Works	1,013,267	1,058,072	<b>1,019,066</b>	(39,006)
Health and Welfare	54,774	55,136	<b>53,022</b>	(2,114)
Planning and Development	176,581	176,581	<b>155,735</b>	(20,846)
Education	8,337,427	8,337,427	<b>8,253,212</b>	(84,215)
Education - Regional School District No. 19	3,502,539	3,502,540	<b>3,502,540</b>	-
Employee Benefits and Insurance	573,899	502,712	<b>466,572</b>	(36,140)
Debt Service:				
Principal Payments	220,000	220,000	<b>220,000</b>	-
Interest and Fiscal Charges	15,800	15,800	<b>15,800</b>	-
<b>Total Expenditures</b>	<u>14,939,324</u>	<u>14,939,324</u>	<u><b>14,602,876</b></u>	<u>(336,448)</u>
<b>Excess of Revenues Over Expenditures</b>	742,357	742,357	<b>1,650,078</b>	907,721
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(742,357)	(1,089,131)	<b>(1,089,131)</b>	-
Appropriation of Fund Balance	-	346,774	-	(346,774)
<b>Total Other Financing Sources (Uses)</b>	<u>(742,357)</u>	<u>(742,357)</u>	<u><b>(1,089,131)</b></u>	<u>(346,774)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u><b>\$ 560,947</b></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	
<b>Property Taxes</b>				
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
<b>Total Property Taxes</b>	<u>11,759,219</u>	<u>11,759,219</u>	<u>11,895,297</u>	<u>136,078</u>
<b>Intergovernmental</b>				
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)
<b>Total Intergovernmental</b>	<u>3,730,262</u>	<u>3,730,262</u>	<u>3,930,640</u>	<u>200,378</u>
<b>Charges for Services</b>				
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
<b>Total Charges for Services</b>	<u>161,000</u>	<u>161,000</u>	<u>226,970</u>	<u>65,970</u>
<b>Investment Income</b>	<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	
<b>Other Revenues</b>				
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
<b>Total Other Revenues</b>	<u>18,200</u>	<u>18,200</u>	<u>30,065</u>	<u>11,865</u>
<b>Total Revenues</b>	<u>15,681,681</u>	<u>15,681,681</u>	<u>16,252,954</u>	<u>571,273</u>
<b>Other Financing Sources</b>				
Appropriation of Fund Balance	-	346,774	-	(346,774)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>346,774</u>	<u>-</u>	<u>(346,774)</u>
<b>Total Revenues and Other Financing Sources</b>	<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	
<b>General Government</b>				
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	
<b>General Government (Continued)</b>				
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	
<b>General Government (Continued)</b>				
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	43,516	43,516	40,474	3,042
<b>Total General Government</b>	<b>1,015,402</b>	<b>1,041,421</b>	<b>897,216</b>	<b>144,205</b>
<b>Public Safety</b>				
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
<b>Total Public Safety</b>	<b>29,635</b>	<b>29,635</b>	<b>19,713</b>	<b>9,922</b>
<b>Public Works</b>				
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	416,407	416,407	409,213	7,194
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	151,500	151,500	132,607	18,893
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	26,000	26,000	23,340	2,660
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	84,000	128,805	128,805	-

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	
<b>Public Works (Continued)</b>				
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>
<b>Total Public Works</b>	<b><u>1,013,267</u></b>	<b><u>1,058,072</u></b>	<b><u>1,019,066</u></b>	<b><u>39,006</u></b>
<b>Health &amp; Welfare</b>				
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
<b>Total Health &amp; Welfare</b>	<b><u>54,774</u></b>	<b><u>55,136</u></b>	<b><u>53,022</u></b>	<b><u>2,114</u></b>
<b>Planning and Development</b>				
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	
<b>Planning and Development (Continued)</b>				
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>
<b>Total Planning and Development</b>	<b><u>176,581</u></b>	<b><u>176,581</u></b>	<b><u>155,735</u></b>	<b><u>20,846</u></b>
<b>Education</b>				
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	
<b>Education (Continued)</b>				
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>
<b>Total Education</b>	<b><u>11,839,966</u></b>	<b><u>11,839,967</u></b>	<b><u>11,755,752</u></b>	<b><u>84,215</u></b>
<b>Other</b>				
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
<b>Total Other</b>	<b><u>573,899</u></b>	<b><u>502,712</u></b>	<b><u>466,572</u></b>	<b><u>36,140</u></b>
<b>Debt Service</b>				
Principal	220,000	220,000	220,000	-
Interest	15,800	15,800	15,800	-
<b>Total Debt Service</b>	<b><u>235,800</u></b>	<b><u>235,800</u></b>	<b><u>235,800</u></b>	<b><u>-</u></b>
<b>Total Expenditures</b>	<b><u>14,939,324</u></b>	<b><u>14,939,324</u></b>	<b><u>14,602,876</u></b>	<b><u>336,448</u></b>
<b>Other Financing Uses</b>				
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	-
<b>Total Other Financing Uses</b>	<b><u>742,357</u></b>	<b><u>1,089,131</u></b>	<b><u>1,089,131</u></b>	<b><u>-</u></b>
<b>Total Expenditures and Other Financing Uses</b>	<b><u>\$ 15,681,681</u></b>	<b><u>\$ 16,028,455</u></b>	<b><u>\$ 15,692,007</u></b>	<b><u>\$ 336,448</u></b>

See accountant's report.

**TOWN OF ASHFORD, CONNECTICUT**  
Notes to Required Supplementary Information

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**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

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- 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:

	<b>Total Revenues</b>	<b>Total Expenditures</b>	<b>Other Financing Sources (Uses)</b>
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>
<b>Total</b>	<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
<b>Total OPEB Liability</b>						
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)
<b>Net Change in Total OPEB Liability</b>	(506,951)	52,895	106,768	413,036	(392,798)	(48,016)
<b>Total OPEB Liability - Beginning</b>	<u>947,872</u>	<u>894,977</u>	<u>788,209</u>	<u>375,173</u>	<u>767,971</u>	<u>815,987</u>
<b>Total OPEB Liability - Ending</b>	<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>
<b>Total</b>	<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.

**APPENDIX B – FORM OPINION OF BOND COUNSEL**

July \_\_, 2024

Town of Ashford  
5 Town Hall Road  
Ashford, CT 06278

We have acted as Bond Counsel in connection with the issuance by the Town of Ashford, Connecticut (the “Town”), of its \$\_\_\_\_\_ General Obligation Bond Anticipation Notes (the “Notes”) dated July \_\_, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes and except as provided by a budget limitation ordinance of the Town entitled “Resolution 80” adopted at referendum held April 29, 1980. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

The Town has designated the Notes as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We are further of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Notes.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Notes to be executed by the Town substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:*

### **Continuing Disclosure Agreement**

This Continuing Disclosure Agreement ("Agreement") is made as of July \_\_, 2024 by the Town of Ashford, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bond Anticipation Notes, dated as of July \_\_, 2024 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

**Section 1. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

### **Section 2. Notice of Certain Events.**

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

*Events (d) and (e).* The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes, unless the Issuer applies for or participates in obtaining the enhancement.

*Event (f).* Event (f) is relevant only to the extent interest on the Notes is excluded from gross income for federal income tax purposes.

*Event (h).* The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Note purchases.

*Events (o) and (p).* The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

### **Section 3. Use of Agents.**

Notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

### **Section 4. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

### **Section 5. Enforcement.**

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Treasurer, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Finance Treasurer is 5 Town Hall Road, Ashford, Connecticut 06278.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

### **Section 6. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF ASHFORD, CONNECTICUT

By: \_\_\_\_\_  
CATHRYN E. SILVER-SMITH  
First Selectman

By: \_\_\_\_\_  
SHERRI SOUCY  
Treasurer

## APPENDIX D - NOTICE OF SALE

### NOTICE OF SALE

**TOWN OF ASHFORD, CONNECTICUT**  
**\$4,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**  
**(BANK QUALIFIED)**  
**OPTION FOR BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF ASHFORD, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

JULY 9, 2024

(the “Sale Date”) for the purchase of the Issuer’s \$4,000,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

#### **The Notes**

The Notes are expected to be dated July 23, 2024 and will mature and be payable to the registered owner on July 22, 2025 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

#### **Nature of Obligation**

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended and except as provided by a budget limitation ordinance of the Issuer entitled “Resolution 80” adopted at referendum held April 29, 1980. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

#### **Bank Qualification**

The Notes SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

#### **Registration**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

### **Option For No Book-Entry.**

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Issuer as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Issuer at the time of the submission of the bid. The Issuer reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Issuer any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

### **Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms**

Each bid for the purchase of the Notes must, (i) if submitted by telephone, provide the information in the form of the Proposal for Notes attached hereto, or (ii) if submitted electronically, be in accordance with the requirements prescribed herein. Except as required under “Option For No Book-Entry” above, a proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

### **Electronic Bidding Procedures**

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**<sup>®</sup>. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**<sup>®</sup> shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**<sup>®</sup>, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY<sup>®</sup>, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY<sup>®</sup>, the use of PARITY<sup>®</sup> facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**<sup>®</sup> as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, 1359 Broadway, 36<sup>th</sup> Street, 2<sup>nd</sup> Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: [www.parity@i-deal.com](mailto:www.parity@i-deal.com)).

For purposes of the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**<sup>®</sup> shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under “Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms” above, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

**Disclaimer.** Each **PARITY**<sup>®</sup> prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**<sup>®</sup> for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**<sup>®</sup> shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer nor **PARITY**<sup>®</sup> shall be responsible for a bidder’s failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**<sup>®</sup>. The Issuer is using **PARITY**<sup>®</sup> as a communication mechanism, and not as the Issuer’s agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**<sup>®</sup> to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**<sup>®</sup> are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY**<sup>®</sup> at (212) 849-5021.

#### **Telephone Bidding Procedures**

Telephone bids will be received until 11:00 A.M. (E.T.) on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor. All telephone bids must be made to (203) 421-2087 and be completed by 11:00 A.M. (E.T.) on the Sale Date. Bidders should be prepared to provide the information set forth in the “Proposal for Notes” attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer’s sole discretion, will not be reviewed or honored by the Issuer.

#### **CUSIP Numbers**

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

#### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

Unless otherwise provided for herein, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

#### **Delivery, Payment and Closing Requirements**

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

Unless otherwise provided for herein, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about July 23, 2024 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

### **Bond Counsel Opinion**

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

### **Establishment of Issue Price**

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

**Notification of Contact Information of Winning Bidder.** Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

**Competitive Sale Rule.** The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

**Competitive Sale Rule Met.** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price. If the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale of such Maturity to the Public, then the winning bidder shall provide Bond Counsel and the Municipal Advisor a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes.

**Competitive Sale Rule Not Met.** In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A)(I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

**Definitions.** For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

## **Official Statement**

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated June 28, 2024 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.com), and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

**Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF ASHFORD, CONNECTICUT

CATHRYN E. SILVER-SMITH  
First Selectman

SHERRI SOUCY  
Treasurer

June 28, 2024

(See attached for form of Proposal for Notes)

**PROPOSAL FOR NOTES**

Cathryn E. Silver-Smith, First Selectman  
Sherri Soucy, Treasurer  
Town of Ashford  
c/o Munistat Services, Inc.  
**Telephone No. (203) 421-2087**

Ashford Town Officials:

Subject to the provisions of the Notice of Sale dated June 28, 2024, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$4,000,000 General Obligation Bond Anticipation Notes of the Town of Ashford, Connecticut (the "Issuer"), dated July 23, 2024 and maturing on July 22, 2025 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$4,000,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: July 9, 2024

\_\_\_\_\_  
(Name of Bidder)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Facsimile Number)

\_\_\_\_\_  
(E-mail Address)

We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

***Only if submitting request that Notes not be issued in book-entry form:*** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.