



Charles Heaven & Co.
Certified Public Accountants

**TOWN OF ROXBURY
AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL FINANCIAL DATA
JUNE 30, 2021**

Town of Roxbury
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Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Roxbury
Roxbury, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 40 through 45, and the Schedule of changes in net OPEB liability and related ratios on page 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2022 on our consideration of the Town of Roxbury, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Roxbury, Connecticut's internal control over financial reporting and compliance.

Charles Brown & Co., CPAs

January 7, 2022

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

The June 30, 2021 Town of Roxbury Basic Financial statements are presented using the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. GASB Statement 34 requires that the management of the Town of Roxbury focus on the most important or "major" funds, including the General Fund.

The goal is to provide the reader with an objective and readable analysis of the financial performance of the Town for the year. Taken together, the following statements should present whether the Town of Roxbury's financial position has improved or deteriorated as a result of the year's operations. Fund statements measure and report the operating results of many funds by measuring cash on hand and other assets that can easily be converted to cash. The Basic Financial Statements include government-wide financial statements prepared on the accrual basis of accounting for all of the Town government's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year (or shortly thereafter). Showing budgetary compliance has always been an important part of governmental accountability and therefore the financial statements include the original budget as well as the amended final budget.

The Basic Financial Statements includes the following information and financial statements as defined by GASB Statement 34:

- ✱ **Management's Discussion and Analysis (MD&A)** – An introduction to the basic financial statements and an analytical overview of the government's financial activities. The MD&A provides an objective and easily readable analysis of the Town's financial activities based on currently known facts, decisions, or conditions. The MD&A:
 - ❑ Includes comparisons of the current year to the prior year based on government-wide information.
 - ❑ Provides an analysis of the overall financial position and the results of operations that assess whether the Town's financial position has improved or deteriorated as a result of the year's activities.
 - ❑ Analyzes significant changes in fund and major budget variances.
 - ❑ Describes capital asset and long-term debt activity during the year.
 - ❑ Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on the Town's financial position or the results of its operations.
- ✱ **Basic Financial Statements**

Government-Wide Financial Statements are designed to provide a broad overview of the Town of Roxbury's finances in a manner similar to private-sector business.

They include a *statement of net position* which presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows with the difference between assets plus deferred outflows less liabilities and deferred inflows reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

The statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the government. The government-wide financial statements present functions of the Town of Roxbury that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government, commissions and boards, highways and public works, protection, health and welfare, benefits, education, and miscellaneous.

Capital assets, including infrastructure, are reported along with depreciation expense in the statement of activities. Net position is reported as capital assets net of related debt, restricted, and unrestricted. Permanent endowments or permanent fund principal amounts included in restricted net assets are shown as either expendable or nonexpendable.

Expenses presented are reduced by program revenues, resulting in a measurement of "net (expense) revenue" for each of the government's functions. Program expenses include all direct expenses. General revenues such as taxes and special and extraordinary items are reported separately, ultimately arriving at the change in net position for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

- **Fund Financial Statements** are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Roxbury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. With the exception of the Pension Trust Fund, which is a fiduciary fund, all of the funds of the Town constitute governmental funds.

Governmental fund financial statements include financial data for the General Fund, Special Revenue Funds and Capital Project Funds and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *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 activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The Town of Roxbury maintains twelve 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, the Reserve for Capital Expenditures Fund, the Library Fund, the Land Acquisition Fund, and the Town Aid Road Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated 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 Roxbury adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the approved budget.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

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

Separate columns are shown for the general fund and for each major governmental fund. Major funds are funds whose revenues, expenditures, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds. Other funds that are particularly important are also reported as a major fund. Non-major funds are reported in the aggregate in a separate column.

Governmental fund balances are segregated into Nonspendable, Restricted, Committed, Assigned and Unassigned as defined in the notes.

➤ ***Fiduciary Fund***

- The Fiduciary funds are used to account for resources held by the Town in a trustee capacity. The Fiduciary funds are not reflected in the government-wide financial statements because the resources of the fund are not available to support the Town of Roxbury's own programs. The accrued basis of accounting is used for the fiduciary funds. There is one Town fiduciary fund.
- The basic fiduciary funds financial statements can be found on Pages 19-20 of this report.

➤ ***Notes to the Financial Statements***

- Consist of notes that provide information essential to the understanding of the data provided in the government-wide and fund financial statements

➤ ***Required Supplementary Information (RSI)***

- Consists of the MD&A
- Budgetary comparison schedules for the general fund to demonstrate whether resources were obtained and used in accordance with the legally adopted budget
- OPEB – Schedule of changes in the net OPEB liability and related ratios – last three fiscal years

The combining statements referred to earlier, in connection with non-major governmental funds, are presented immediately following the required supplementary information.

Readers of the Town's financial statements are offered this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2021.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent year by \$18,708,373 (net position). Of this amount, \$6,904,293 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,553,426 during the fiscal year.
- As of the close of the current fiscal year, the Town of Roxbury's governmental funds reported combined ending fund balances of \$10,536,623, an increase of \$2,199,254. Of this, 32.87%, or \$3,463,261 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 \$3,463,261 or 33.39% of total general fund expenditures and net operating transfers of \$10,373,076. The Town has \$453,566 restricted for the Length of Service Award Plan, committed \$547,484 for various future expenditures, \$7,132 nonspendable prepaids and \$405,723 budgeted for subsequent year budget deficit.
- The Town is liable for \$4,646,510 of Regional School District No. 12 debt (32.00%)

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

Government-Wide Financial Analysis

As noted earlier, assets and deferred outflows over liabilities and deferred inflows may serve over time as a useful indicator of a government's financial position. In the case of the Town of Roxbury, assets exceeded liabilities and deferred inflows of resources by \$18,708,373 at the close of the most recent fiscal year.

By far the largest portion of the Town of Roxbury's net position, 47.25%, reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure). The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1. Net Position

	Total Primary Government 2021	Total Primary Government 2020
Current.....	\$ 11,133,832	\$ 8,512,520
Capital Assets.....	8,839,331	9,323,224
Mortgages Receivable.....	265,551	291,424
Total Assets.....	20,238,714	18,127,168
Current Liabilities	690,309	147,571
Non-Current Liabilities	708,425	625,407
Total Liabilities	1,398,734	772,978
Deferred inflows of resources	131,607	199,243
Net Position:		
Net Investments in Capital Assets	8,839,331	9,323,224
Restricted.....	2,964,749	2,563,708
Unrestricted	6,904,293	5,268,015
Total Net Position.....	\$18,708,373	\$17,154,947

A portion of the Town's net position, \$2,964,749 or 17.77%, represents resources that are subject to restrictions on how they may be used: \$221,000 is restricted to the library and the library's endowment, \$994,102 for road improvements \$345,727 for social services, \$1,038,400 for library services, \$16,785 for record preservation, \$338,261 for housing rehabilitation and \$10,474 for recreation. The remaining balance of *unrestricted net position*, \$6,904,293 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

Town of Roxbury
Management's Discussion and Analysis
June 30, 2021

During the current fiscal year, the Town of Roxbury's net position increased by \$1,553,426. The Town brought in net general revenues of \$10,986,964 that exceeded its net operating expenditures of \$9,473,398 by the amount of the net position increase. Gross expenses of \$10,662,550 were offset by \$656,925 in charges for services, \$190,794 in operating grants and contributions, and \$381,293 in capital grants and contributions.

Governmental Activities. Governmental activities increased the Town of Roxbury's net position by \$1,553,426.

Table 2. Changes in Net Position

	Total Primary Government <u>2021</u>	Total Primary Government <u>2020</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 656,925	\$ 371,581
Operating Grants and Contributions	190,794	225,323
Capital Grants and Contributions	381,293	323,449
General Revenues:		
Property Taxes	10,627,250	10,610,674
Grants and Contributions not Restricted to Specific Programs	4,120	17,950
Investment Earnings (gains and losses)	250,807	124,239
Lease Income, Tax Penalties, and Miscellaneous	<u>104,787</u>	<u>107,570</u>
Total Revenues	12,215,976	11,780,786
Program Expenses:		
General Government	785,958	755,245
Commissions	256,878	288,304
Education	6,688,924	7,408,081
Highways and Public Works	1,486,563	1,389,677
Protection	442,616	443,403
Health and Welfare	312,954	310,858
Benefits	419,654	366,898
Other	<u>269,003</u>	<u>349,763</u>
Total Program Expenses	<u>10,662,550</u>	<u>11,312,229</u>
Change in Net Position	1,553,426	468,557
Net Position at Beginning of Year	<u>17,154,947</u>	<u>16,686,390</u>
Net Position at End of Year	<u>\$ 18,708,373</u>	<u>\$ 17,154,947</u>

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

- Increase in Capital Grants and Contributions is mainly due to a LOCIP grant received
- Charges for services increased by \$285,344 mainly due to increased collections of conveyance tax, building fees and Town Clerk fees and penalties.
- Investment income increased by \$126,568 mainly due to market increase in Library investments.
- The decrease in operating grants and contributions is mostly due to decreases in Library donations.
- General Government expenses increase, is due to a small increase in numerous line items, including an increase in legal fees of \$9,400.
- Highways and public works expenses increased by \$96,886 mainly due to maintenance on Town roads including tree maintenance.
- Benefits increased by \$52,756 due to an increase in insurance and pension benefits cost and contributions.
- Education expense decreased based on the number of Town students attending RSD #12. The expense is determined by a separate taxpayer approved budget.
- Commissions decreased by \$31,426 due to the cancellation of many Senior Center programs because of COVID-19.
- Other expenses decreased due to writing off a bad debt in the Small Cities Housing Rehabilitation fund in prior years.

COVID-19 and Federal Assistance

The Town continues to operate under state and local public health and civil preparedness emergencies due to the global COVID-19 pandemic. The Governor of CT continues to operate the state under executive powers in order to protect the public from the spread of the virus. The Town of Roxbury's financial statements presented here in this document will demonstrate the impact all this has had on our Town's governmental funds through 6/30/2021. Federal financial assistance awarded the Town through FEMA, the CARES Act, and the American Rescue Plan Act ("ARPA") will continue to benefit the Town and its surrounding community's recovery from the economic and health impacts of COVID-19 well into the FY21/22 and beyond.

Financial Analysis of the Government's Funds

As required, the Town of Roxbury uses governmental fund accounting to emphasize the accountability as a government entity by ensuring and demonstrating compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Roxbury'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 Roxbury's governmental funds reported combined ending fund balances of \$10,536,623 an increase of \$2,199,254. The governmental fund balance of \$10,536,623 is broken down as follows:

Nonspendable fund balances of \$228,132:

- \$221,000 of the fund balance is *nonspendable* to indicate that it is not available for new spending because it was accepted with the understanding that the principal be kept intact in perpetuity
- \$7,132 for prepaids

Restricted funds balances of \$3,197,315:

- Length of Service Award Plan
- Road Improvements
- Social Services and Other Special Purposes

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

Restricted fund balances (continued):

- Support of Library Services
- Records Preservation
- Housing Rehabilitation
- Recreation

Committed fund balances of \$3,647,915:

- Vested Sick Benefits
- Post Employment Benefits
- Open Space and Land Acquisition
- Capital and Nonrecurring Projects

The remainder of \$3,463,261 is unassigned.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, total general fund balance was \$4,877,166. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned and assigned* fund balance and total fund balance to total fund expenditures. In Roxbury's case, total *unassigned* fund balance of 3,463,261 represents 33.39% of total general fund expenditures and net transfers out of \$10,373,076.

During the current fiscal year, the Town's General Fund Balance increased by \$1,298,405. As in previous years, and without exception, every town department, i.e. general government, highways, protection, etc., expended less than budgeted for a total positive budget expenditure and transfer variance, of \$980,204.

Budgetary Highlights

The approved projected revenue budget of \$11,218,868 for FY2020/2021 increased by an approved fund transfer of \$50,000 for a final revenue budget of \$11,268,868. The approved expenditure budget of \$11,218,868 for FY 2020/2021 increased due to continuing appropriations of \$425,731 and an additional appropriation of \$128,205 for STEAP expenditures. The aforementioned increases were approved by the Board of Finance and at Town Meeting.

Capital Assets and Debt Administration

Capital Assets. The Town of Roxbury's investment in capital assets for its governmental assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net decrease (after depreciation and before dispositions) in the Town's investment in capital assets for the current fiscal year was \$483,893. The decrease is attributable to depreciation expense recorded in excess of capital asset additions. The most significant capital asset addition was for machinery, equipment, and vehicles.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2021**

Capital Assets (continued):

Table 3. Capital Assets at Year-end (Net of Depreciation)

	Total Primary Government	
	2021	2020
Land.....	\$ 1,516,063	\$ 1,516,063
Construction in Progress.....	189,727	180,602
Land Improvements.....	103,538	118,920
Buildings	2,208,593	2,285,797
Machinery and Equipment	511,268	560,628
Infrastructure.....	4,310,142	4,661,214
Totals	\$ 8,839,331	\$ 9,323,224

Additional information on the Town of Roxbury's capital assets can be found in the Notes to the Financial Statements.

Long-Term Debt

Our Town's long-term debt is comprised of our pro-rata share of Regional School District No. 12's general long-term debt, compensated absences and post-retirement healthcare benefit obligation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees. For June 30, 2021, the maximum amount of borrowing permitted under the formula would be \$74,925,319. Our outstanding general purpose, general obligation debt is \$24,083,138 below the maximum debt limitation (see "Statement of Statutory Debt Limitations" presented as a supplemental schedule to these financial statements).

Contingent Liability:

The Town is a member town of Regional School District No. 12 along with the towns of Washington and Bridgewater. Roxbury's obligation to the district is based on the number of pupils attending the district determined as of October 1 in the preceding year. For the fiscal year 2020-2021, Roxbury's pro-rata share of school district operations was 32%. Roxbury has pledged its full faith and credit to payment of principal and interest on the district bonds. The Town's share of the regional school district's net debt as of June 30, 2021 (outstanding school bond principal less State of Connecticut bond principal grants) represents overlapping debt to the Town in the amount of \$4,646,510.

Compensated Absences:

Sick leave may be accumulated by certain public works union employees in accordance with the union contract until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave. The balance increased by \$1,307 from the previous year to \$29,958 as of June 30, 2021.

Post-Retirement Healthcare Benefit Obligation (OPEB):

The Town provides post-retirement healthcare benefits for certain public works union employees. As required by GASB Statement No. 75, the town reports a net OPEB liability of \$224,901 on the government-wide financial statements. Although the Town is accumulating the resources to pay this liability in the General Fund, it has not established a trust fund to irrevocable segregate assets, and therefore, the value of assets are being reported at zero.

The Length of Service Award Plan (LOSAP):

The assets of the LOSAP plan are subject to third party creditors, and therefore, the assets are recorded as restricted assets along with the liability to the participants, in the General Fund.

Town of Roxbury
Management's Discussion and Analysis
June 30, 2021

Additional information on the Town of Roxbury's long-term debt can be found in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

▪ Roxbury's Mill rate decreased to 15.40 mills for the Fiscal Year 2021/2022. The FY 2021/2022 budget of \$11,661,757 sees a \$442,889, or an approximate 3.95% increase in expenditures from the prior year's original budget of \$11,218,868. The Town's share of the Region 12 budget increased by \$651,908 (9.26%) to \$7,689,679. Other significant changes that offset this decrease are highlighted below:

Revenues

- Property tax revenue is anticipated to remain the same.
- The increase in Expenditures in the 21/22 year is essentially funded by unrestricted fund balance.

Expenditures

- The General Government Department Budget increased by \$80,893 (10.73%) mainly due to the cost-of-living increase.
- The Commissions and Boards Department Budget increased by \$6,623 (1.60%) mainly due to cost-of-living increases.
- The Highways and Public Works Department Budget increased by \$38,848 (4.52%) due to increased cost of road materials, along with cost of living increases.
- The Protection Department Budget decreased by \$55,884 (10.06%) due to a decrease in anticipated costs in Civil Preparedness related to COVID-19 netted with a cost-of-living increase.
- The Health and Welfare Department Budget increased by \$19,781 (5.82%) due to increased Hauling and Tip Fees associated with the Transfer Station.
- Miscellaneous Budget decreased by \$103,967 (61.81%) due to decreases in Contingency and Codification budget lines.
- The Education Budget approved by the Region 12 Board of Education via a separate taxpayer vote, increased by \$651,908 (9.26%) as compared to prior year.

Unemployment

The Town's unemployment rate as of June 30th 2021, decreased to 4.9% as compared to prior year, June 30, 2020 rate of 6.1%. In comparison, the unemployment rate for the State of Connecticut decreased to 6.8% from the June 30, 2020 rate of 11.1%.

Requests for Information

This financial report is designed to provide a general overview of the Town of Roxbury's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the First Selectman, 29 North Street, PO Box 203, Roxbury, CT 06783.

Town of Roxbury
Statement of Financial Position
June 30, 2021

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 9,352,593
Investments, including restricted investment of \$344,499	1,690,001
Property taxes receivable (net)	55,312
Interest and liens receivable	10,567
Other current assets	25,359
Total current assets	<u>11,133,832</u>
Noncurrent Assets	
Capital assets:	
Assets not being depreciated	1,705,790
Assets, net of depreciation of \$14,339,872	7,133,541
Mortgages receivable	265,551
Total Assets	<u><u>20,238,714</u></u>
Liabilities	
Current Liabilities:	
Accounts payable	257,510
Accrued expenses	50,866
Amounts held in escrow	37,000
Deferred revenue	344,933
Noncurrent Liabilities:	
Due in more than one year	708,425
Total Liabilities	<u>1,398,734</u>
Deferred Inflows of Resources	
Advance property tax collections	<u>131,607</u>
Net Position	
Net investment in capital assets	8,839,331
Restricted for:	
Trust purposes - Nonexpendable	221,000
Road improvements	994,102
Social services and other special purposes	345,727
Support of library services	1,038,400
Records preservation	16,785
Housing rehabilitation	338,261
Recreation	10,474
Unrestricted	6,904,293
Total Net Position	<u><u>\$ 18,708,373</u></u>

The accompanying notes are an integral part of these financial statements.

**Town of Roxbury
Statement of Activities
Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Total Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 785,958	\$ 550,599	\$ 21,265	\$ -	\$ (214,094)
Commissions	256,878	19,711	81,553	-	(155,614)
Education	6,688,924	-	36,047	-	(6,652,877)
Highways and public works	1,486,563	-	-	381,293	(1,105,270)
Protection	442,616	16,584	-	-	(426,032)
Health and welfare	312,954	64,469	51,929	-	(196,556)
Benefits	419,654	-	-	-	(419,654)
Other	269,003	5,562	-	-	(263,441)
Total governmental activities	\$ <u>10,662,550</u>	\$ <u>656,925</u>	\$ <u>190,794</u>	\$ <u>381,293</u>	<u>(9,433,538)</u>
General revenues:					
					10,627,250
					4,120
					250,807
					104,787
					<u>10,986,964</u>

The accompanying notes are an integral part of these financial statements.

Town of Roxbury
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds					Other Governmental Funds	Total Government Funds
	General	Capital Project Funds Reserve for Capital Exp	Land Acquisition	Town Aid Road Fund	Library		
Assets:							
Cash and cash equivalents	\$ 5,062,055	\$ 1,699,206	\$ 774,298	\$ 1,324,444	\$ 46,894	\$ 445,696	\$ 9,352,593
Investments, unrestricted	-	-	-	-	1,236,435	-	1,236,435
Investments, restricted	453,566	-	-	-	-	-	453,566
Property taxes receivable	56,312	-	-	-	-	-	56,312
Interest and liens receivable	10,567	-	-	-	-	-	10,567
Accounts receivable	523	-	-	-	-	-	523
Prepaid expenses	7,132	-	-	-	-	-	7,132
Grant receivable	-	17,704	-	-	-	-	17,704
Mortgages receivable	-	-	-	-	-	265,551	265,551
Due from other funds	20,000	-	-	-	-	-	20,000
Total Assets	<u>\$ 5,610,155</u>	<u>\$ 1,716,910</u>	<u>\$ 774,298</u>	<u>\$ 1,324,444</u>	<u>\$ 1,283,329</u>	<u>\$ 711,247</u>	<u>\$ 11,420,383</u>
Liabilities:							
Accounts payable	\$ 148,838	\$ 2,000	\$ -	\$ 104,842	\$ 1,830	\$ -	\$ 257,510
Amounts held in escrow	37,000	-	-	-	-	-	37,000
Deferred revenue	322,834	-	-	-	22,099	-	344,933
Accrued expenses	50,866	-	-	-	-	-	50,866
Due to other funds	-	20,000	-	-	-	-	20,000
Total Liabilities	<u>559,538</u>	<u>22,000</u>	<u>-</u>	<u>104,842</u>	<u>23,929</u>	<u>-</u>	<u>710,309</u>
Deferred Inflows of Resources:							
Unavailable revenue - property tax	41,844	-	-	-	-	-	41,844
Advance collection of taxes	131,607	-	-	-	-	-	131,607
Total Deferred Inflows of Resources	<u>173,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,451</u>
Fund Balances:							
Nonspendable:							
Principal of Permanent funds	-	-	-	-	221,000	-	221,000
Prepayments	7,132	-	-	-	-	-	7,132
Restricted for:							
Length of Service Award Plan	453,566	-	-	-	-	-	453,566
Road improvements	-	-	-	994,102	-	-	994,102
Social services and other special purposes	-	-	-	-	-	345,727	345,727
Support of Library services	-	-	-	-	1,038,400	-	1,038,400
Records preservation	-	-	-	-	-	16,785	16,785
Housing rehabilitation	-	-	-	-	-	338,261	338,261
Recreation	-	-	-	-	-	10,474	10,474
Committed for:							
Subsequent year budget deficit	405,723	-	-	-	-	-	405,723
Vested sick benefits	31,849	-	-	-	-	-	31,849
Post-employment benefits	199,175	-	-	-	-	-	199,175
Open space and land acquisition	-	-	774,298	-	-	-	774,298
Capital and nonrecurring projects	316,460	1,694,910	-	225,500	-	-	2,236,870
Unassigned	3,463,261	-	-	-	-	-	3,463,261
Total Fund Balances	<u>4,877,166</u>	<u>1,694,910</u>	<u>774,298</u>	<u>1,219,602</u>	<u>1,259,400</u>	<u>711,247</u>	<u>10,536,623</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,610,155</u>	<u>\$ 1,716,910</u>	<u>\$ 774,298</u>	<u>\$ 1,324,444</u>	<u>\$ 1,283,329</u>	<u>\$ 711,247</u>	<u>\$ 11,420,383</u>

The accompanying notes are an integral part of these financial statements.

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

Total net position reported for governmental activities in the Statement of Net Position is different from the governmental fund Balance Sheet due to the following :

Total Fund Balances for Governmental Funds	\$	10,536,623
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets	\$	23,179,203
Less accumulated depreciation		<u>(14,339,872)</u>
		8,839,331
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Property taxes, interest, and liens receivable		41,844
Allowance for uncollectible taxes		(1,000)
Long-term liabilities, are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Post retirement healthcare benefit obligation	\$	(224,901)
Compensated absences		(29,958)
Length of Service Award Plans liability		<u>(453,566)</u>
		(708,425)
Total Net Position of Governmental Activities	\$	<u>18,708,373</u>

The accompanying notes are an integral part of these financial statement.

Town of Roxbury
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	Major Funds						Other Governmental Funds	Total Government Funds
	General	Capital Project Funds Reserve for Capital Exp	Land Acquisition	Town Aid Road Fund	Library			
Revenue:								
Property taxes, interest and liens	\$ 10,706,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,706,167
Telecommunication easements	8,965	-	-	-	-	-	-	8,965
Building department fees and permits	211,901	-	-	-	-	-	-	211,901
Federal, state and other grants	100,792	17,704	-	323,729	-	18,559	-	460,784
Investment income	112,749	1,133	572	731	228,375	314	-	343,874
Contributions	-	-	10,000	-	70,553	34,870	-	115,423
Rental income	95,822	-	-	-	-	-	-	95,822
Transfer station fees	64,469	-	-	-	-	-	-	64,469
Licenses, permits and other fees	370,616	-	-	-	5,562	4,377	-	380,555
Total Revenue	11,671,481	18,837	10,572	324,460	304,490	58,120	-	12,387,960
Expenditures:								
Current								
General government	721,124	-	-	-	-	-	-	721,124
Commissions	233,302	-	-	-	-	-	-	233,302
Highways and public works	856,788	-	-	155,892	-	-	-	1,012,680
Protection	420,786	-	-	-	-	-	-	420,786
Health and welfare	298,505	-	-	-	-	4,993	-	303,498
Benefits	431,010	-	-	-	-	-	-	431,010
Other	20,519	-	-	-	248,484	-	-	269,003
Education	6,684,247	-	-	-	-	-	-	6,684,247
Capital outlay								
Capital improvements and equipment	-	113,056	-	-	-	-	-	113,056
Total Expenditures	9,666,281	113,056	-	155,892	248,484	4,993	-	10,188,706
Excess (Deficiency) of Revenue over Expenditures	2,005,200	(94,219)	10,572	168,568	56,006	53,127	-	2,199,254
Other Financing Sources (Uses)								
Operating transfers in (out)	(706,795)	573,455	10,000	-	148,497	(25,157)	-	-
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	1,298,405	479,236	20,572	168,568	204,503	27,970	-	2,199,254
Fund Balance - beginning of year	3,578,761	1,215,674	753,726	1,051,034	1,054,897	683,277	-	8,337,369
Fund Balance - end of year	\$ 4,877,166	\$ 1,694,910	\$ 774,298	\$ 1,219,602	\$ 1,259,400	\$ 711,247	-	\$ 10,536,623

The accompanying notes are an integral part of these financial statements.

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

Amounts reported for governmental activities in the Statement of Activities
are difference due to the following:

Net Change in the Fund Balances - Total Governmental Funds **\$ 2,199,254**

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

Total capital outlay	\$ 81,307	
Less current year depreciation	<u>(565,200)</u>	(483,893)

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

Property taxes receivable	(78,917)
---------------------------	----------

Some expenses reported in the statement of activities do not require the use
of current financial resources and, therefore, are not reported as expenditures
in governmental funds; this is the amount by which the current period
expenditures exceed the costs allocated over the applicable periods.

Change in Energy efficient project loan	\$ -	
Change in Post retirement healthcare benefit obligation	27,356	
Change in Compensated absences	(1,307)	
Change in Length of Service Award Plan liability	<u>(109,067)</u>	(83,018)

Change in Net Position of Governmental Activities **\$ 1,553,426**

The accompanying notes are an integral part of these financial statement.

Town of Roxbury
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Defined Contribution Plan
<hr/>	
Assets:	
Cash on Hand	\$ 7,944
Investments - at fair value	1,292,833
Total Assets	<u>1,300,777</u>
Net Position:	
Held in Trust for Pension Benefits	\$ <u>1,300,777</u>

The accompanying notes are an integral part of these financial statements.

Town of Roxbury
Statement of Changes in Fiduciary Net Position
Pension Trust Fund
Year Ended June 30, 2021

	Defined Contribution Plan
<hr/>	
Additions:	
Contribution	
Town	\$ 33,068
Investment Income	
Net Appreciation in Fair Values of Investments	227,209
Interest and Dividends	25,772
Gross Investment Income	252,981
Less Investment Expense	11,091
Net Investment Income	241,890
Total Additions	274,958
Deductions: Pension Benefits	-
Change in Net Position	274,958
Net Position Held in Trust For Pension Benefits	
Beginning of the Year	1,025,819
End of the Year	\$ 1,300,777

The accompanying notes are an integral part of these financial statements.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Roxbury, Connecticut (the “Town”) have been prepared in accordance with generally accepted accounting principles (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.

A. Reporting Entity

The Town of Roxbury, Connecticut was incorporated in 1796 under the provisions of the Connecticut General Statutes, and has a population of approximately 2,200 living within an area of 27.4 square miles. The Town is located in Litchfield County. The Town operates under a Town Meeting, Board of Selectmen and Board of Finance form of government. The Town provides the following services: public safety, public works, parks and recreation, health and social services, planning and zoning and education by being part of Shepaug Regional School District #12, of which the Towns of Roxbury, Washington and Bridgewater are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and the percentage of Roxbury students attending the District's schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive and administrative officer of the Town, and prepares the Town Budget. The Board of Finance is the budget-making authority and is responsible for reviewing/revising the proposed budget, presenting the budget at the Annual Budget Hearing and submitting the budget at the Annual Town and Budget Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification has been considered and as a result, the potential component units discussed below are not included in the Town's reporting entities because of their operational significance and financial relationship with the Town.

- Regional School District No. 12 – The school district provides educational services and facilities for the Towns of Roxbury, Washington and Bridgewater, Connecticut. The Town pays a proportional share of the expenses of the district.
- Roxbury Volunteer Fire Department, Inc. and Roxbury Ambulance Association, Inc. – These potential component units have separate elected boards and provide services to residents, generally within the geographic boundary of the Town. They are excluded from the reporting entity because the Town does not have the ability to exercise, influence or control the daily operations.

B. Jointly Governed Organizations:

Regional Animal Control Authority

The Regional Animal Control Authority (the “Authority”) was created by the Towns of Bridgewater, Brookfield, New Milford, Roxbury, and Sherman to enforce laws relating to animals within the five-town region. The Authority is supported by assessments to the participating towns based upon population census. The Town appropriated and expended \$16,767 for operation of the Authority for the year ended June 30, 2021.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

B. Jointly Governed Organizations (continued)

Lake Lillinonah Authority

The Lake Lillinonah Authority (the “Lake Authority”) was created by the Towns of Bridgewater, Brookfield, New Milford, Newtown, Roxbury, and Southbury by local ordinances. The Lake Authority is comprised of three delegates from each member town. The Town appropriated and expended \$13,582 for the operation of the Lake Authority for the year ended June 30, 2021.

Northwest Hills Council of Governments

The Town and twenty other local municipalities each appoint the governing board of the Northwest Hills Council of Governments (the “NHCOC”) to provide a regional forum for information exchange and regional planning. The NHCOC is supported by assessments to the twenty-one member Towns based upon population census. The Town appropriated and expended \$1,728 for the operation of the NHCOC for the year ended June 30, 2021.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the Town. Eliminations have been made to minimize the double counting of internal activities. *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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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*.

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as applicable. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are defined as major or non-major in the basic financial statements according to GASB reporting standards, which categorize funds based on relative size and materiality. Major individual governmental funds are reported in separate columns in the fund financial statements. The other seven governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental fund is provided in the form of combining statements.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation

Government-Wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

General Fund:

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

Town of Roxbury
Notes to Financial Statements

Note "1" - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation (continued)

Special Revenue Fund:

Library Fund accounts for all financial resources used to provide public library services.

The Town Aid Road Fund accounts for Connecticut Department of Transportation grants to be used for construction, reconstruction, improvement, or maintenance or improved and unimproved road and other transportation related services as set forth in the General Statutes of Connecticut.

Capital Projects Funds:

The Reserve for Capital Expenditure Fund as authorized by General Statutes of Connecticut, is used for financing all or part of the planning, construction, reconstruction or acquisition of capital facilities, improvements or equipment.

Open Space and Land Acquisition Fund – accounts for the purchase of land for open space.

The Town also reports the following seven Nonmajor Governmental Funds:

Special Revenue Funds, account for specific revenues that are legally restricted to expenditures for particular purpose:

Historic Document Preservation Fund – accounts for recording fees and state grants restricted for document preservation along with the related expenditures.

First Selectman Discretionary Fund – accounts for donations to assist those in need along with other discretionary expenditures.

Apple Lane Fund – accounts for donations restricted for funding improvements to the grounds of Hurlburt Park.

Hodge Funds – accounts for the restricted financial support for the Senior Center and other resident relief.

Community Volunteer Fund – accounts for financial support to fund the volunteer recognition program.

Booth Free School Fund – accounts for restricted donations to promote community education. This fund was closed, transferring the resources to the Library Fund. The Library Fund will adhere to the same donor restrictions.

Small Cities Housing Rehabilitation Fund – accounts for federal grants offered in the form of deferred loans to owner/occupants for assistance in the rehabilitation of their homes.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation (continued)

Additionally, the Town reports the following Fiduciary Fund Types:

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

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

Amounts reported as *program revenue* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the Town’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town’s policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned balances.

E. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be placed with any “qualified public depository” as defined by statute, which has its main place of business in the State of Connecticut.

The Connecticut General Statutes authorize the investment of funds in the obligations of the United States, or in any state or other tax-exempt political subdivision under certain conditions. Funds may also be deposited in the State Treasurer’s Short-Term Investment Fund (STIF). The provisions of the statutes regarding the investments of municipal pension funds do not specify permitted investments. Therefore, investments of such funds are generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan. The Library Fund may invest in securities selected by the trustee and is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule).

Town investments are reported at fair value.

Receivables

In the government-wide financial statements property taxes are shown net of an allowance for uncollectible taxes of \$1,000. The allowance is calculated based upon prior years’ collections.

In the fund financial statement, all property taxes receivable at June 30, 2021, which have not been collected within 60 days of June 30, have been recorded as deferred inflows, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Net Assets or Equity (continued)

Property taxes are assessed on October 1 and billed the following July. Real and personal property bills are payable in two installments, July 1 and January 1. Motor vehicle 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 fiscal year following the due date.

Capital Assets

Capital assets include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). They 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 and with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings	40
Building improvements	6-20
Infrastructure	30
Machinery, Equipment and Vehicles	5-15

Interfund Activity

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

On the fund financial statements, short-term interfund loans are classified as interfund “due from/to other funds”. These amounts are eliminated in the statement of net assets.

Compensated Absences

Sick leave may be accumulated by certain public works union employees in accordance with the union contract until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

Sick leave expense to be paid in future periods are accrued when earned, at current hourly rates, in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements when paid or the vested amount is expected to be paid with available resources. The General Fund is typically used to liquidate the liability.

Town of Roxbury
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Net Assets or Equity (continued)

Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt are reported in the government-wide financial statements.

Long-term debt is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Fund Equity and Net Position/Assets – Governmental Funds

Beginning with fiscal year 2011, the Town implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact, legally or contractually.
- Restricted fund balance – amounts constrained to specific purposes by external parties, constitutional provisions or enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, the Town Meeting.
- Assigned fund balance – amounts the government intends to use for a specific purpose as authorized by the Town’s Board of Selectman and Board of Finance.
- Unassigned fund balance – amounts that are available for any purpose. This category is only reported in the General Fund for positive amounts and in any other fund that have a fund balance deficit.

The Town does not have a minimum fund balance policy.

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category represents the net position of the Town, which are not restricted

Town of Roxbury
Notes to Financial Statements

Note "1 " - Summary of Significant Accounting Policies (continued)

F. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note "2" - Budgetary Compliance

Budgetary Compliance – The General Fund

The Town's General Fund budgetary procedures are as follows:

In January each department head, officer, head of office, board and/or commission submits detailed estimates of expenditures for the ensuing fiscal year to the Board of Selectmen.

The Board of Selectmen reviews all proposed estimates of expenditures as well as estimated revenues to be collected.

After discussing and reaching agreement, the Board of Selectmen forwards the proposed budget to the Board of Finance for review and approval, incorporating any revisions. The Board of Finance then presents the budget to the Legislative Body for Approval.

The Board of Finance holds a public hearing on the proposed budget prior to presenting it to the Annual Town Meeting in May. Following approval of the proposed budget at the Town meeting, the Board of Finance establishes the tax rate.

The Town Meeting legally appropriates this budget as one balance for revenue and on a department basis for expenditures and transfers. The Board of Finance is authorized to approve additional appropriations up to and including \$20,000 per department per year, however no more than one additional appropriation per department can be made without town meeting approval. Town Meetings approved the following transfer and additional appropriations: Transferred \$50,000 from Reserve for Capital expenditure fund to the General Fund. Additional apportionments of: \$128,205 for STEAP IT upgrades, \$30,000 for Financial Admin-Software, \$3,000 for Conservation and \$20,000 for HDC Survey Coloring Book.

Budgetary Compliance - Special Revenue Funds

The Town does not budget for its special revenue funds. Considering a cost-benefit analysis, it is not practical for the town to report budgetary information for special revenue funds on a combined basis.

Budgets for the various special revenue funds and capital project funds that are utilized to account for specific grant programs are established in accordance with requirements for the grantor agencies. Such budgets do not lapse and may comprise more than one fiscal year.

Donor Restricted Endowments

The Town has received certain endowments for the maintenance and operations of the Town Library. The amounts are reflected in net assets as restricted for trust purposes - nonexpendable. Investment income (including appreciation, if any) is approved for expenditure by the Town Library Board.

Town of Roxbury
Notes to Financial Statements

Note "2" - Budgetary Compliance (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the town.

Note "3" – Cash, Deposits and Investments

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2021:

	Governmental Funds	Fiduciary Funds
Deposits:		
Demand accounts	\$ 3,347,196	\$ ---
Petty Cash/Cash on hand	235	7,944
Cash equivalents:		
State short-term investment fund (STIF)	2,298,810	---
Overnight repurchase agreement	<u>3,706,352</u>	<u>---</u>
Total Cash and Cash Equivalents	<u>\$ 9,352,593</u>	<u>\$ 7,944</u>

B. Deposits – Custodial Credit Risk

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. As of June 30, 2021, the carrying amount of the Town's deposits was \$3,347,196 and the bank balance was \$3,472,956. Of the Town's bank balance, \$3,222,956 was exposed to custodial credit risk; as follows:

Uninsured and uncollateralized	\$ 2,875,660
Uninsured and collateralized held by pledging	
Bank's trust department not in the town's name	<u>347,296</u>
Total amount subject to custodial credit risk	<u>\$ 3,222,956</u>

C. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2021, the Town's cash equivalents amounted to \$6,005,162. The following table provides a summary of the Town's cash equivalents as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard and Poor's
State of Connecticut Short-Term Investment Fund (STIF)	AAAm

Town of Roxbury
Notes to Financial Statements

Note "3" – Cash, Deposits and Investments (continued)

C. Cash Equivalents (continued)

Amounts held in the overnight repurchase agreement were 100% collateralized with collateral held by the bank's trust department or agent, but not in the Town's name.

D. Investments

At June 30, 2021, the Town's investments consisted of the following:

<u>Types of Investments</u>	<u>Fair Value</u>	<u>Average Credit Rating</u>	<u>Investment Maturity</u>
Primary Government			
Mutual Funds	\$ 1,601,038	N/A	N/A
Money Market Funds held for investing	<u>88,963</u>	not rated	N/A
Total Primary Government	<u>\$ 1,690,001</u>		
Fiduciary Funds			
Mutual funds	1,246,163	N/A	N/A
Money market funds	<u>46,670</u>	not rated	N/A
Total Fiduciary Funds	<u>\$ 1,292,833</u>		

** Included in deposits above, therefore, insured and collateralized to the extent described above.

- Ratings by Standard & Poor's are provided where applicable to indicate the associated credit risk.
N/A indicates not applicable.

- 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.

- Credit risk – The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

\$453,566 of the Town's investments are restricted for Length of Service Award Plan.

E. Fair Value Measurements

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair values of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Town did not hold any investments on June 30, 2021 whose fair value was determined using Level 3 inputs.

Town of Roxbury
Notes to Financial Statements

Note "3" – Cash, Deposits and Investments (continued)

E. Fair Value Measurements (continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2021.

Investments by Fair Value Level	6/30/2021		
	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Money Market Funds	\$ -	\$ 135,633	\$ 135,633
Mutual Funds	2,847,201	-	2,847,201
Total Investment & Cash Equivalent by Fair Value Level	\$ 2,847,201	\$ 135,633	\$ 2,982,834

The Town's investments that are classified in Level 1 are measured on a recurring basis, using market quotations for investments that have quoted prices in active markets. The Town's investments that are classified in Level 2 are measured using matrix pricing techniques using various pricing vendors. Matrix pricing is used to value securities based on their relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

Note "4" - Receivables

A. Property Tax, Interest and Liens Receivable

Receivables at June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

Property taxes	\$ 56,312
Interest and lien fees on taxes	10,567
Gross receivables	66,879
Less: allowance for uncollectibles	1,000
Net Receivables	<u>\$ 65,879</u>

Town of Roxbury
Notes to Financial Statements

Note "4" – Receivables (continued)

B. Mortgages Receivable

The amount recorded as a mortgage receivable, \$265,551 represents loans disbursed from the Small Cities, Community Development Block Grant. This grant is administered through the State of Connecticut; however, funds for this grant are federal funds originating with the Department of Housing and Urban Development (HUD). Typically, funds are offered in the form of deferred loans to owner/occupants for assistance in the rehabilitation of their homes. Deferred loans are 0% interest loans that do not require repayment until a transfer of Title, the Owner's demise or the subject property is no longer the applicant's principal place of residence. All loans are secured with a mortgage deed, promissory note and memorandum of agreement.

Note "5" - Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases & Reclasses</u>	<u>Ending Balance</u>
Capital Assets - Not Depreciated:				
Land	\$ 1,516,063	\$ ---	\$ ---	\$ 1,516,063
Construction/Projects in Progress	129,852	9,125	---	138,977
Transportation	50,750	---	---	50,750
Capital Assets - Depreciated:				
Land improvements	881,230	---	---	881,230
Building & improvements	4,906,613	25,000	---	4,931,613
Machinery, equipment & vehicles	3,082,697	47,182	---	3,129,879
Infrastructure	<u>12,530,691</u>	<u>---</u>	<u>---</u>	<u>12,530,691</u>
Total Capital Assets Being Depreciated	<u>21,401,231</u>	<u>72,182</u>	<u>---</u>	<u>21,473,413</u>
Less: Accumulated Depreciation				
Land improvements	762,310	15,382	---	777,692
Building & improvements	2,620,816	102,204	---	2,723,020
Machinery, equipment & vehicles	2,522,069	96,542	---	2,618,611
Infrastructure	<u>7,869,477</u>	<u>351,072</u>	<u>---</u>	<u>8,220,549</u>
Total Accumulated Depreciation	<u>13,774,672</u>	<u>565,200</u>	<u>---</u>	<u>14,339,872</u>
Capital Assets Being Depreciated - Net	<u>7,626,559</u>	<u>(493,018)</u>	<u>---</u>	<u>7,113,541</u>
Capital Assets - Net	<u>\$ 9,323,224</u>	<u>\$(483,893)</u>	<u>\$ ---</u>	<u>\$ 8,839,331</u>

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

<u>Governmental Activities</u>	
General government services	\$ 64,834
Commissions	23,576
Public works, including depreciation of general infrastructure assets	440,827
Health & Welfare	9,456
Education	4,677
Protection	<u>21,830</u>
<u>Total depreciation expense</u>	<u>\$ 565,200</u>

Town of Roxbury
Notes to Financial Statements

Note "6" – Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts Due</u> <u>in One Year</u>
<u>Compensated Absences</u>					
Vested or accumulated severance and sick leave.	28,651	3,281	1,974	29,958	---
<u>Length of Service Award Plan</u>	344,499	109,067	---	453,566	---
<u>Post-Retirement Healthcare</u> <u>Benefit Obligation</u>	<u>252,257</u>	<u>17,484</u>	<u>44,840</u>	<u>224,901</u>	<u>---</u>
<u>Totals</u>	<u>\$ 625,407</u>	<u>\$ 129,832</u>	<u>\$ 46,814</u>	<u>\$ 708,425</u>	<u>\$ ---</u>

Note "7" - Contingent Liabilities

The Town is contingently liable for Regional School District No. 12 serial bonds, anticipation notes and other long-term debt payable through the fiscal year 2039-2040. The Town's share of Regional School District #12 debt is 31.88% based on the Town's share of the school budget. The amount attributable to the Town at June 30, 2021 is \$4,646,510.

Town of Roxbury
Notes to Financial Statements

Note "8" – Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfers From Other Funds	Transfers To Other Funds	Net Transfers
Major Governmental Funds:			
General Fund	\$ 50,000	\$ 756,795	\$ (706,795)
Reserve for Capital Expenditure Fund	623,455	50,000	573,455
Land Acquisition Fund	10,000	---	10,000
Library Fund	148,497	---	148,497
Nonmajor Governmental Funds:			
Booth Free School	---	25,157	(25,157)
Total	\$ <u>831,952</u>	\$ <u>831,952</u>	\$ <u>---</u>

Transfers are used to account for the financing by the general and other funds of other various programs and activities accounted for in separate funds.

Note "9" - Fund Deficits

At June 30, 2021, the following individual funds had operating deficiencies and/or fund deficits, none of which constitutes a violation of statutory provision:

	Deficit From Operations	Fund Balance Deficit
Non-Major Governmental Funds, Special Revenue Funds:		
Booth Free School	\$ 25,154	\$ ---

Note "10" - Commitments and Litigation

It is the opinion of Town officials that there are no claims, material or substantial, against the Town, which will be finally determined so as to result in a judgment or judgments against the Town, which would materially affect its financial position.

The Town has received financial assistance from numerous Federal and State agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions, as specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the Town's financial statements.

Town of Roxbury
Notes to Financial Statements

Note "11" - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. The Town does not maintain a self-insurance fund. However, the Town is a member of the Connecticut Interlock Risk Management Agency (CIRMA) workers compensation pool. Premiums are subject to adjustment from retrospective rating, and are recorded as expenditures in the year paid. The Town reports all of its risk management activities in the General Fund.

Note "12" - Municipal Employee Money Purchase Pension Plan

The Town provides retirement benefits through a single-employer non-contributory defined contribution pension plan, which covers substantially all full-time employees of the Town. The Board of Selectman has oversight and fiduciary responsibility for the plan. Current active participants total 7 employees.

This plan covers employees who have completed 1 year of service and work more than 35 hours per week. The Town Clerk, grandfathered under the predated June 3, 2006 Pension Ordinance, is eligible to participate even though the 35-hour work requirement might not be met. Employees will have nonforfeitable interests in the percentage of the employer contribution account determined pursuant to the following vesting schedule:

<u>Years of Continuous Service:</u>	<u>Percentage Vested:</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

The participants become 100% vested after six years of service. Normal retirement age is at 65. The Town contributes an amount equal to 7.5% of each eligible employee's base compensation. The plan provides for benefits upon death, disability, or retirement. Employer contributions for the year ending June 30, 2021 totaled \$33,068. The plan allows for amendment by the Town as employer.

Financial statements are prepared using the accrual basis of accounting. The employer contributions are recognized in the period that the contributions are due.

Plan investments are reported at fair value and reported in accordance with GASB fair value measurements.

Note "13" - Length of Service Award Plan (LOSAP)

The Town offers its eligible Roxbury Volunteer Fire Department ("RVFD") and Roxbury Ambulance Association ("RAA") personnel a deferred compensation plan developed in accordance with Internal Revenue Code Section 457. In order to be eligible for the plan, the volunteer must generally complete one full year of service and attain at least the following: 25 volunteer percentage credit points for the RVFD volunteer and one of the 3-tier point system for the RAA volunteer (less than 20 points, 20 points and 25 points or more). Participants become fully vested at the normal retirement age of 59. The Town is the current Administrator for the Deferred Compensation Plan and therefore the Board of Selectman can amend the plan. The Town contributed \$23,500 to this plan for the year ended June 30, 2021. There were no benefit withdrawals for the year ended June 30, 2021.

The fund financial statements recognize benefit payments as expenditures within the General Fund at the time they are due and payable. LOSAP contributions represent the reclassification of unrestricted General Fund assets to the plans restricted investments.

The plan holds LOSAP assets in a grantor/rabbi trust, which are not legally protected from the Town's creditors. GASB 73 requires assets held in such trust arrangements to be reported as assets of the sponsoring municipality. As such, Town accounts for LOSAP assets as restricted investments in the General Fund. Authority to invest the Plan's assets is vested in the Town in accordance with a statutory prudent person rule. See the fair value measurement disclosures on the LOSAP's assets.

Note "14" - New England Teamsters and Trucking Industry Pension Fund

Pursuant to the Entry Agreement between the Town and Teamsters Union Local No. 677, effective July 1, 2014, the Town is required to contribute to the New England Teamsters and Trucking Industry Pension Fund (a multiple-employer defined contribution plan) on behalf of full-time employees in the Public Works Department. The Town has no authority to amend plan provisions or contribution requirements until the expiration date of the present collective bargaining agreement which is June 30, 2021. The Town's required contribution for the year ended June 30, 2021 was \$2.50 per hour worked up to a maximum of \$100.00 per week for any one employee. The total contribution for the year ended June 30, 2021 was \$26,000.

Note "15" – Post Retirement Health-care Benefits

A. General Information about the Post Retirement Plan

The Town provides post-employment benefits for certain union employees' health insurance benefit after retirement through a single-employer defined benefit plan. Benefit provisions are established through negotiations between the Town and the union representing the employees.

The Town currently pays for post-employment health care benefits on a pay-as-you-go basis. As of June 30, 2021, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

The membership of the plan consisted of the following at June 30, 2021:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>3</u>
Total	<u><u>3</u></u>

Town of Roxbury
Notes to Financial Statements

Note "15" – Post Retirement Health-care Benefits (continued)

B. Authority and Funding Policy:

The Town has established the benefit provisions and contribution to the plan; there are no contribution requirements for active plan members. The contribution requirements of plan members and the Town are established and may be amended by the Board of Finance. The Town determines the required contribution using the Entry Age Normal Method. The Town is also authorized to make changes to the plan provisions through the budgetary process.

C. Net Other Post Employment Benefit (OPEB) Liability of the Town

As permitted by Statement No. 75 of the Governmental Accounting Standards Board, the total OPEB liability was determined using the alternative measurement method. The approach includes the same broad measurement steps as an actuarial valuation (projecting benefit payments, discounting projected benefit payments to a present value, and attributing the present value of projected benefit payments to periods using an actuarial cost method). However, it permits simplification of certain assumptions.

Total OPEB liability	\$ 224,901
Plan fiduciary net position	---
Net OPEB liability	<u>\$ 224,901</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0 %
---	-----

D. Alternative Measurement Report Methods and Assumptions

The total OPEB liability was determined by a valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar (closed period)
Remaining Amortization Period:	30 Years
Inflation:	2.00%
Salary Increases:	2.00%
Investment Rate of Return:	N/A, no investments
Trend Rate:	2.00%
Mortality Rate:	<i>Life Expectancy Table</i> from the National Center for Health Statistics, updated in 2015
Assumed Retirement Age:	60 Years

The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Town of Roxbury
Notes to Financial Statements

Note "15" – Post Retirement Health-care Benefits (continued)

E. Sensitivity of the OPEB Liability to Changes in the Discount Rate and Trend Rate

The following presents the net OPEB liability of the Town, calculated using the discount rate of 2.00%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.00%</u>	<u>2.00%</u>	<u>3.00%</u>
Net OPEB Liability	\$ 233,259	\$ 224,901	\$ 216,606

The following presents the net OPEB liability of the Town, calculated using the trend rate of healthcare cost of 2.00%, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	<u>1.00%</u>	<u>2.00%</u>	<u>3.00%</u>
Net OPEB Liability	\$ 215,196	\$ 224,901	\$ 234,477

F. Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2020	\$ 252,257	\$ ---	\$ 252,257
Changes for the Year:			
Service cost	12,439	---	12,439
Interest cost	5,045	---	5,045
Differences between expected and actual experience	(44,840)	---	(44,840)
Net changes	(27,356)	---	(27,356)
Balances as of June 30, 2021	\$ <u>224,901</u>	\$ <u>---</u>	\$ <u>224,901</u>

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$(27,356). At June 30, 2021, the Town does not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

Town of Roxbury
Notes to Financial Statements

Note "16" - General Fund Capital and Nonrecurring Projects Committed Fund Balance:

The General Fund Committed Fund Balance for Nonrecurring Projects is comprised of the following:

Revaluation	\$ 39,255
Library Maintenance (paint)	42,103
Public Works Garage/Barn	39,930
Senior Center Maintenance	37,538
Preparation and implementation of the Accounting Procedure Manual	10,750
Town Hall Maintenance	79,132
Replace Financial Software	34,139
POCD	1,697
Treasurer Upgrades	2,790
Ambulance Replace	10,000
HDC Survey Coloring Book	16,125
Conservation	<u>3,001</u>
Total	<u>\$ 316,460</u>

Note "17" – Subsequent Events

On March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread in the United States. As of the date of the financial statements were available to be issued, there was considerable uncertainty around the expected duration of the pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. At this point, the extent to which COVID-19 may impact the Town's financial condition, and changes in the fair values of its investments or results of operations cannot be reasonably estimated at this time.

Town of Roxbury
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues:					
Property Taxes, Interest and Fees	\$ 10,399,742	\$ -	\$ 10,399,742	\$ 10,706,167	\$ 306,425
State Grants					
State and Federal Grants	207,250	-	207,250	100,792	(106,458)
Other Revenue					
Investment Income	15,000	-	15,000	19,682	4,682
Real Estate Conveyance Taxes and Other Fees	110,000	-	110,000	320,271	210,271
Building Department Fees	120,000	-	120,000	211,901	91,901
Transfer Station Fees	55,000	-	55,000	64,469	9,469
Recreation	4,000	-	4,000	670	(3,330)
Land Use Permits	8,645	-	8,645	10,954	2,309
Senior-Center including contributions	27,450	-	27,450	8,087	(19,363)
Ambulance Association	5,000	-	5,000	8,550	3,550
Telecommunication PILOT	8,000	-	8,000	8,965	965
Rent-Cell Tower & Other	91,000	-	91,000	95,822	4,822
Regional School District #12 surplus	156,281	-	156,281	353,524	197,243
Miscellaneous Receipts	11,500	-	11,500	22,084	10,584
Total Other Revenue	<u>611,876</u>	<u>-</u>	<u>611,876</u>	<u>1,124,979</u>	<u>513,103</u>
Other Financing Sources:					
Operating transfers in					
Reserve for Capital Expenditures	-	50,000	50,000	50,000	-
Total Revenues	<u>\$ 11,218,868</u>	<u>50,000</u>	<u>\$ 11,268,868</u>	<u>\$ 11,981,938</u>	<u>\$ 713,070</u>

Continued

The accompanying notes are an integral part of these financial statements.

Town of Roxbury

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)

Year Ended June 30, 2021

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Expenditures					
General Government					
Selectmen's Salaries	98,042	-	98,042	98,006	(36)
Grant Procurement	10,000	-	10,000	7,564	(2,436)
Selectmen's Office	64,762	-	64,762	63,921	(841)
Finance Director	57,764	-	57,764	56,763	(1,001)
Treasurer	23,807	-	23,807	21,537	(2,270)
Town Clerk	87,131	-	87,131	83,052	(4,079)
Tax Collector	51,960	-	51,960	48,614	(3,346)
Assessors	61,298	-	61,298	59,697	(1,601)
Board of Assessment Appeals	766	-	766	607	(159)
Board of Finance	3,100	-	3,100	1,263	(1,837)
Building Department	87,883	-	87,883	80,785	(7,098)
Probate Court	2,735	-	2,735	2,735	-
Postage/Delivery	6,250	-	6,250	5,666	(584)
Town Hall	101,987	-	101,987	99,219	(2,768)
Elections	25,573	-	25,573	16,510	(9,063)
Auditor	20,000	-	20,000	20,000	-
Legal Fees	30,000	-	30,000	29,464	(536)
Animal Control	19,417	-	19,417	18,430	(987)
Town Reports	1,500	-	1,500	350	(1,150)
Total General Government	753,975	-	753,975	714,183	(39,792)
Commissions/Boards					
Land Use Salaries	91,703	-	91,703	88,687	(3,016)
Planning	455	-	455	58	(397)
Zoning	2,265	-	2,265	312	(1,953)
Zoning Board of Appeals	850	-	850	-	(850)
Conservation	1,200	-	1,200	1,577	377
Inland - Wetlands	2,065	-	2,065	2,165	100
Volunteer Recognition Comm	2,000	-	2,000	1,693	(307)
Historic District	575	-	575	409	(166)
Historic Buildings	3,200	-	3,200	1,436	(1,764)
Senior Center	80,960	-	80,960	73,480	(7,480)
Senior Center Programs	27,450	-	27,450	-	(27,450)
Library Other	28,910	-	28,910	29,299	389
Lake Lillinoah Authority	13,582	-	13,582	13,582	-
ASAP, After School Arts Program	5,000	-	5,000	5,000	-
Recreation	29,700	-	29,700	12,198	(17,502)
Swim Pond Improvements	2,175	-	2,175	-	(2,175)
Total Commissions/Boards	292,090	-	292,090	229,896	(62,194)

Continued

The accompanying notes are an integral part of these financial statements.

Town of Roxbury
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Highways and Public Works					
Public Works Salary/Overtime	331,939	-	331,939	290,314	(41,625)
Town Roads	100,100	-	100,100	142,421	42,321
Town Roads Winter Maintenance	100,000	-	100,000	73,997	(26,003)
Unimproved Town Roads	38,800	-	38,800	92,766	53,966
Unimproved Town Roads Winter Maintenance	30,000	-	30,000	22,760	(7,240)
Town Garage and Salt Barn	23,700	-	23,700	21,550	(2,150)
Maintenance, Operation, Repairs of Town Equipment	90,410	-	90,410	77,458	(12,952)
Surveyors/Engineers	5,000	-	5,000	5,000	-
Tree Maintenance	75,000	-	75,000	70,175	(4,825)
Town Parks	64,950	-	64,950	60,347	(4,603)
Total Highways and Public Works	859,899	-	859,899	856,788	(3,111)
Protection					
Police - Town	122,391	-	122,391	97,156	(25,235)
Police - State	107,500	-	107,500	88,215	(19,285)
Town Police - Private Duty Budgeted Net	1,000	-	1,000	2,403	1,403
Ambulance/Paramedic Program	29,122	-	29,122	28,667	(455)
Fire Department	66,650	-	66,650	66,457	(193)
Emergency Services Recruitment	500	-	500	-	(500)
Fire Marshal	7,827	-	7,827	6,676	(1,151)
Insurance and Bonds	92,339	-	92,339	91,030	(1,309)
Street Lights/Unmetered Service	2,700	-	2,700	2,590	(110)
Civil Preparedness/Blackboard	110,000	-	110,000	22,283	(87,717)
E-911 System	15,409	-	15,409	15,309	(100)
Total Protection	555,438	-	555,438	420,786	(134,652)
Health and Welfare					
Visiting Nurse Services	4,900	-	4,900	490	(4,410)
Vital Statistics	200	-	200	775	575
Mun Agent/Soc Svcs/Vet Coord	33,310	-	33,310	29,264	(4,046)
Elderly/Disabled Svcs/Transportation	39,660	-	39,660	4,436	(35,224)
Welfare	2,500	-	2,500	1,445	(1,055)
Newtown Health District	32,025	-	32,025	32,025	-
Transfer Station	227,070	-	227,070	230,070	3,000
Total Health and Welfare	339,665	-	339,665	298,505	(41,160)

Continued

The accompanying notes are an integral part of these financial statements.

Town of Roxbury
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Benefits					
Insurance Benefits	220,502	-	220,502	222,450	1,948
Personal Benefits	66,043	-	66,043	57,492	(8,551)
Social Security	74,435	-	74,435	67,722	(6,713)
Medicare	17,408	-	17,408	15,838	(1,570)
Pension Plan, Fees and VFD Contribution	82,635	-	82,635	83,508	873
Unemployment Compensation	100	-	100	-	(100)
Total Benefits	461,123	-	461,123	447,010	(14,113)
Other					
Ordinance Codification	6,467	-	6,467	4,748	(1,719)
Copiers/Fax	3,750	-	3,750	2,305	(1,445)
Computer Upgrades	4,000	-	4,000	3,924	(76)
Contingency	133,000	-	133,000	-	(133,000)
Memorial Day Observance	1,100	-	1,100	821	(279)
Miscellaneous	9,900	-	9,900	8,721	(1,179)
Total Other	158,217	-	158,217	20,519	(137,698)
Transfers					
Library Fund	123,340	-	123,340	123,340	-
Land Acquisition Fund	10,000	-	10,000	10,000	-
Town Aid Road Fund	-	-	-	-	-
Reserve for Capital Expenditure Fund:					
Repl #1 '07 John Deer 672 Grader '22	20,000	-	20,000	20,000	-
Repl#5 '12 Chevy Truck/Plow '20	20,000	-	20,000	20,000	-
Repl#8 '01 Mack Truck/Sand/Plow '21	25,000	-	25,000	25,000	-
Repl#10 '88 Mack Truck/Sand/Plow '23	30,000	-	30,000	30,000	-
Repl #22 '06 Alamo Flair Mower '19	15,000	-	15,000	15,000	-
Repl #16 '07 Backhoe '24	15,000	-	15,000	15,000	-
Repl #6 '07 Intl 7400 in '22	-	-	-	-	-
Repl #7 '07 Intl 7600 in '22	20,000	-	20,000	20,000	-
Repl #2 & #13 Loaders	70,000	-	70,000	70,000	-
Repl #9 '89 Mack Rescue '20	46,250	-	46,250	46,250	-
Old Firehouse Upgrades	-	-	-	-	-
Repl Engine #10 RVFD in '25	52,000	-	52,000	52,000	-
STEAP- IT Upgrades	-	128,205	128,205	128,205	-
Hodge Library Roof Maintenance	25,000	-	25,000	25,000	-
IT Upgrades	35,000	-	35,000	35,000	-
Minor Bridge RD Culvert	110,000	-	110,000	110,000	-
Transfer Station Maint/Containers/Compactor	7,000	-	7,000	7,000	-
Tennis Court Maintenance	5,000	-	5,000	5,000	-
Total Transfers	628,590	128,205	756,795	756,795	-

Continued

The accompanying notes are an integral part of these financial statements.

Town of Roxbury
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund, (Non GAAP, Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Education	7,037,771	-	7,037,771	7,037,771	-
Continuing Appropriations - see note to schedule					
Post Employment Benefits Committed	20,000	179,175	199,175	-	(199,175)
Vested Sick Benefits Committed	-	31,849	31,849	-	(31,849)
Town Hall Building Maintenance	75,000	5,528	80,528	1,396	(79,132)
Revaluation	-	40,925	40,925	1,670	(39,255)
Financial Admin-Software	-	34,139	34,139	-	(34,139)
Senior Ctr Maint Carpet/Paint	7,500	31,911	39,411	1,873	(37,538)
Minor Mem Lib Exterior Maint	8,500	33,603	42,103	-	(42,103)
Stain Barn/Garage Repairs	11,100	28,830	39,930	-	(39,930)
Board of Finance Procedure Manual	-	10,750	10,750	-	(10,750)
Treas - Upgrades	-	2,790	2,790	-	(2,790)
Ambulance Repl A1 '19	10,000	-	10,000	-	(10,000)
Conservation	-	4,534	4,534	1,533	(3,001)
HDC Survey Coloring Book	-	20,000	20,000	3,875	(16,125)
Planning POCD	-	1,697	1,697	-	(1,697)
Total Continuing Appropriations	<u>132,100</u>	<u>425,731</u>	<u>557,831</u>	<u>10,347</u>	<u>(547,484)</u>
Total Expenditures and Transfers	<u>11,218,868</u>	<u>553,936</u>	<u>11,772,804</u>	<u>10,792,600</u>	<u>(980,204)</u>
Revenues less Expenditures	-	(503,936)	(503,936)	1,189,338	1,693,274
Fund Balance-beginning of year	-	503,936	503,936	3,234,261	2,730,325
Fund Balance- end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,423,599</u>	<u>\$ 4,423,599</u>

Concluded

Town of Roxbury
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual
Year Ended June 30, 2021

Basis:

The Schedule of Revenues, Expenditures and Changes in Fund Balance of the General Fund Budget and Actual (Non-GAAP Budgetary Basis) present a comparison of the original and final legally-adopted budget with actual data on a budgetary basis.

Reconciliation Between Budgetary Basis and Generally Accepted Accounting Principles (GAAP) Basis:

The budget for the General Fund has been prepared substantially on the cash basis, whereas actual revenues and expenditures were determined on the modified accrual basis. The budget comparison was not adjusted to the cash basis because the differences were not significant. Expenditures in excess of appropriations in budget line items are primarily due to the addition of accruals at year end.

For budgeting purposes, the Town recognizes educational refunds of prior year fund balances and other credits from Regional School District #12 as revenue. Generally accepted accounting principles (GAAP) require that refunds for prior year and other credits be offset against educational expenditures.

The Town budgets Town police – private duty expenditures net of revenues. For GAAP purposes, revenue and expenditures are grossed up to reflect actual activity.

GASB requires that the Length of Services Award Plan (LOSAP) be accounted for in the General Fund. For budgeting purposes, the Town recognizes LOSAP contributions as expenditures. Under GAAP, LOSAP contributions do not meet the definition of expenditures but rather restricted funds to the LOSAP participants. Additionally, the Town does not budget for LOSAP investment activity income. GAAP requires the investment activity income is to be recorded as revenue.

The difference between GAAP and the budgeting basis is as follows:

	General Fund		
	<u>Total Revenue & Other Financing Sources</u>	<u>Total Expenditures and Transfers Out</u>	<u>Fund Balance</u>
Non-GAAP Budgetary Basis Statement - June 30, 2021 - Actual	\$ 11,981,938	\$ 10,792,600	\$ 4,423,599
Prior year refund from RSD #12 offsets expenditure	(353,524)	(353,524)	-
LOSAP investments and activity:			
Investments recorded for GAAP not Budget	-	-	344,500
LOSAP contribution	-	(16,000)	16,000
LOSAP investment activity	93,067	-	93,067
Transfer in from Nonrecurring Fund, offsets other financing uses for GAAP purposes	(50,000)	(50,000)	-
Actual GAAP - June 30, 2021	\$ <u>11,671,481</u>	\$ <u>10,373,076</u>	\$ <u>4,877,166</u>

Town of Roxbury
Other Post Employment Benefits (OPEB)
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Three Fiscal Years

	2021	2020	2019
Total OPEB liability:			
Service Cost	\$ 12,439	\$ 14,436	\$ 17,015
Interest Cost	5,045	5,907	5,577
Differences between expected and actual experience	(44,840)	(63,456)	(6,054)
Net change in total OPEB liability	(27,356)	(43,113)	16,538
Total OPEB liability - beginning	252,257	295,370	278,832
Total OPEB liability - ending	224,901	252,257	295,370
Plan fiduciary net position:			
Plan fiduciary net position at end of the year	-	-	-
Net OPEB liability	\$ 224,901	\$ 252,257	\$ 295,370
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	130,338	194,718	202,635
Net OPEB liability as a percentage of covered employee payroll	172.55%	129.55%	145.76%

Town of Roxbury
Non-Major Governmental Funds, Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	1st Selectman Discretionary	Apple Lane	Hodge Funds	Community Volunteer	Booth Free School	Historic Document Preservation	Small Cities Housing Rehabilitation	Total Other Govt. Funds
Assets:								
Cash	\$ 7,062	\$ 10,474	\$ 338,336	\$ 329	\$ ---	\$ 16,785	\$ 72,710	\$ 445,696
Investments at fair value	---	---	---	---	---	---	---	---
Prepaid expenses	---	---	---	---	---	---	---	---
Mortgages receivable	---	---	---	---	---	---	265,551	265,551
Total Assets	<u>\$ 7,062</u>	<u>\$ 10,474</u>	<u>\$ 338,336</u>	<u>\$ 329</u>	<u>\$ ---</u>	<u>\$ 16,785</u>	<u>\$ 338,261</u>	<u>\$ 711,247</u>
Liabilities:								
Account Payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Fund Balances:								
Restricted for:								
Social services and other special purposes	7,062	---	338,336	329	---	---	---	345,727
Support of library services	---	---	---	---	---	---	---	---
Records preservation	---	---	---	---	---	16,785	---	16,785
Housing rehabilitation	---	---	---	---	---	---	338,261	338,261
Recreation	---	10,474	---	---	---	---	---	10,474
Total Fund Balance	<u>7,062</u>	<u>10,474</u>	<u>338,336</u>	<u>329</u>	<u>---</u>	<u>16,785</u>	<u>338,261</u>	<u>711,247</u>
Total Liabilities and Fund Balance	<u>\$ 7,062</u>	<u>\$ 10,474</u>	<u>\$ 338,336</u>	<u>\$ 329</u>	<u>\$ ---</u>	<u>\$ 16,785</u>	<u>\$ 338,261</u>	<u>\$ 711,247</u>

Town of Roxbury
Non-Major Governmental Funds, Special Revenue Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Year Ended June 30, 2021

	1st Selectman Discretionary	Apple Lane	Hodge Funds	Community Volunteer	Booth Free School	Historic Document Preservation	Small Cities Housing Rehabilitation	Total Other Govt. Funds
Revenues								
Investment income (loss)	\$ 5	\$ 5	\$ 219	\$ 1	\$ 3	\$ ---	\$ 81	\$ 314
Contributions	500	1,000	33,370	---	---	---	---	34,870
State grant	---	---	---	---	---	---	18,559	18,559
Activity income	---	---	---	---	---	4,377	---	4,377
Total	<u>505</u>	<u>1,005</u>	<u>33,589</u>	<u>1</u>	<u>3</u>	<u>4,377</u>	<u>18,640</u>	<u>58,120</u>
Expenditures								
Activity expenses	<u>410</u>	<u>---</u>	<u>4,583</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>4,993</u>
Excess (Deficiency) of Revenue over expenditures	95	1,005	29,006	1	3	4,377	18,640	53,127
Other Financing (Uses)								
Operating transfers (out)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(25,157)</u>	<u>---</u>	<u>---</u>	<u>(25,157)</u>
Excess (Deficiency) of Revenue Over Expenditures and Other Uses	95	1,005	29,006	1	(25,154)	4,377	18,640	27,970
Fund Balances								
Beginning of Year	<u>6,967</u>	<u>9,469</u>	<u>309,330</u>	<u>328</u>	<u>25,154</u>	<u>12,408</u>	<u>319,621</u>	<u>683,277</u>
End of Year	<u>\$ 7,062</u>	<u>\$ 10,474</u>	<u>\$ 338,336</u>	<u>\$ 329</u>	<u>\$ ---</u>	<u>\$ 16,785</u>	<u>\$ 338,261</u>	<u>\$ 711,247</u>

Town of Roxbury
Report of Tax Collector
Year Ended June 30, 2021

Grand List Year	Taxes Receivable 7/1/2020	Corrections		Transfers (To)/From Suspense	Adjusted Taxes Receivable	Collections					Taxes Receivable 6/30/2021
		Additions	Deductions			Taxes	Adjustments	Interest	Liens & Fees	Total	
2019	\$ 10,582,017	\$ 13,109	\$ (15,892)	\$ (292)	10,578,942	\$ 10,536,939	\$ (331)	\$ 29,975	\$ 550	\$ 10,567,133	\$ 42,334
2018	94,545	810	(1,428)	(308)	93,619	84,106	(92)	14,856	585	99,455	9,605
2017	25,067		(60)	-	25,007	22,567	-	7,080	264	29,911	2,440
2016	1,815	-	(170)	-	1,645	(170)	-	-	-	(170)	1,815
2015	544	-	-	-	544	427	-	440	-	867	117
2014	527	-	-	-	527	527	-	525	158	1,210	-
2013	516	-	-	-	516	516	-	607	168	1,291	-
2012	610	-	-	-	610	610	-	773	207	1,590	-
2011	649	-	-	-	649	649	-	-	968	242	-
2010	511	-	-	-	511	511	-	161	101	773	-
Suspense book collections	-	-	-	604	604	604	-	711	-	1,315	-
Totals	\$ 10,706,801	13,919	(17,550)	4	10,703,174	10,647,286	(423)	55,128	3,001	10,703,617	56,311

**Town of Roxbury
Statement of Debt Limitation
Year Ended June 30, 2021**

Total Tax Collections (including interest and lien fees) \$ 10,703,617

Reimbursement for Revenue Loss On:

Tax relief for elderly - (CGS 12-129d) -

Total Receipts from Taxation \$ 10,703,617

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation	\$	\$	\$	\$	\$
2 1/4 times base	24,083,138	-	-	-	-
4 1/2 times base	-	48,166,277	-	-	-
3 3/4 times base	-	-	40,138,564	-	-
3 1/4 times base	-	-	-	34,786,755	-
3 times base	-	-	-	-	32,110,851
Total Debt Limitation	<u>24,083,138</u>	<u>48,166,277</u>	<u>40,138,564</u>	<u>34,786,755</u>	<u>32,110,851</u>

Indebtedness

Town's share of Regional School District debt, at 31.88%

General Obligation Bonds issued 4/10/19 - \$7,575,000 - 2,414,910 - - 0

General Anticipation Notes issued 4/8/21 - \$7,000,000 - 2,231,600 - - -

Total Indebtedness - 4,646,510 - - - -

Debt Limitation in Excess of

Outstanding and Authorized Debt \$ 24,083,138 \$ 43,519,767 \$ 40,138,564 \$ 34,786,755 \$ 32,110,851

NOTE: In no case shall total indebtedness exceed seven times annual receipts from taxation.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Finance
Town of Roxbury
Roxbury, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Roxbury, Connecticut as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Roxbury, Connecticut's basic financial statements, and have issued our report thereon dated January 7, 2022.

Internal Control over Financial Reporting

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

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

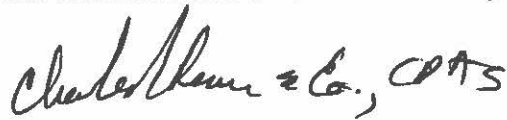
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Charles Heaven & Co., CPAs". The signature is written in a cursive, flowing style.

Charles Heaven & Co.
January 7, 2022