



Charles Heaven & Co.
Certified Public Accountants

**TOWN OF ROXBURY
AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL FINANCIAL DATA
JUNE 30, 2022**

Town of Roxbury
Table of Contents
Year Ended June 30, 2022

	PAGE
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	15
Reconciliation of the Balance Sheet to the Statement of Net Position- Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Fiduciary Funds	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to Financial Statements	21-39
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund (Non GAAP Budgetary Basis)	40-44
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	45
Schedule of Changes in Net OPEB Liability and Related Ratios – Last 3 Fiscal Years	46
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds, Special Revenue Funds:	
Combining Balance Sheet	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	48
Supplemental Schedules:	
Schedule of Property Taxes Levied, Collected and Outstanding (Report of the Tax Collector)	49
Statement of Debt Limitation	50
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	51-52



Charles Heaven & Co.
Certified Public Accountants
Waterbury, Connecticut

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Roxbury, Connecticut

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Roxbury, Connecticut, as of and for the year ended June 30, 2022, 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.

In our opinion, the financial statements referred 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

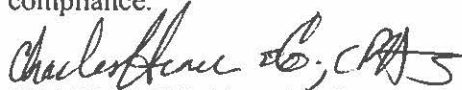
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on pages 40 through 45, and the Schedule of Changes in net OPEB Liability and the related ratios on page 46 be presented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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Roxbury, Connecticut's basic financial statements. The accompanying 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. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and 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 3, 2023, 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 the Town of Roxbury, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Roxbury, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "Charles Heaven", followed by a stylized "CPA" and a flourish.

CHARLES HEAVEN & CO.

Waterbury, Connecticut

January 25, 2023

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2022**

The June 30, 2022 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, 2022**

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, 2022**

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, 2022.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows of revenue at the close of the most recent year by \$18,924,291 (net position). Of this amount, \$7,155,780 (*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 \$215,918 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 \$10,870,017 an increase of \$333,394. Of this, 31.84%, or \$3,461,200 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 \$3,461,200 or 30.79% of total general fund expenditures and net operating transfers of \$11,242,968. The Town has \$406,097 restricted for the Length of Service Award Plan, committed \$465,116 for various future expenditures, \$10,017 nonspendable prepaids and \$573,379 budgeted for subsequent year budget deficit.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2022**

- The Town is contingently liable for \$4,607,108 of Regional School District No. 12 debt (33.69%)

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 \$18,924,291 at the close of the most recent fiscal year.

By far the largest portion of the Town of Roxbury's net position, 45.84%, 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 2022	Total Primary Government 2021
Current.....	\$ 11,036,554	\$ 11,133,832
Capital Assets.....	8,674,180	8,839,331
Mortgages Receivable.....	265,552	265,551
Lease Receivable.....	551,766	---
Total Assets.....	20,528,052	20,238,714
Current Liabilities	397,014	690,309
Non-Current Liabilities	665,942	708,425
Total Liabilities	1,062,956	1,398,734
Deferred inflows of resources	540,805	131,607
Net Position:		
Net Investments in Capital Assets	8,674,180	8,839,331
Restricted.....	3,094,331	2,964,749
Unrestricted	7,155,780	6,904,293
Total Net Position.....	\$18,924,291	\$18,708,373

A portion of the Town's net position, \$3,094,331 or 16.35%, 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, \$1,137,195 for road improvements \$349,815 for social services, \$864,338 for library services, \$19,616 for record preservation, \$336,435 for housing rehabilitation, \$11,480 for recreation and \$154,452 for ARPA approved projects. The remaining balance of *unrestricted net position*, \$7,155,780 may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Roxbury
Management's Discussion and Analysis
June 30, 2022

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

During the current fiscal year, the Town of Roxbury's net position increased by \$215,918. The Town brought in net general revenues of \$10,477,702 that exceeded its net operating expenditures of \$10,261,784 by the amount of the net position increase. Gross expenses of \$11,814,399 were offset by \$551,450 in charges for services, \$261,256 in operating grants and contributions, and \$739,909 in capital grants and contributions.

Governmental Activities. Governmental activities increased the Town of Roxbury's net position by \$215,918.

Table 2. Changes in Net Position

	Total Primary Government <u>2022</u>	Total Primary Government <u>2021</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 551,450	\$ 656,925
Operating Grants and Contributions	261,256	190,794
Capital Grants and Contributions	739,909	381,293
General Revenues:		
Property Taxes	10,482,787	10,627,250
Grants and Contributions not Restricted to Specific Programs	7,544	4,120
Investment Earnings including gains and (losses)	-107,631	250,807
Lease Income, Tax Penalties, and Miscellaneous	<u>95,002</u>	<u>104,787</u>
Total Revenues	12,030,317	12,215,976
Program Expenses:		
General Government	928,650	785,958
Commissions	364,320	256,878
Education	7,433,995	6,688,924
Highways and Public Works	1,505,373	1,486,563
Protection	458,065	442,616
Health and Welfare	366,483	312,954
Benefits	461,526	419,654
Other	<u>295,987</u>	<u>269,003</u>
Total Program Expenses	<u>11,814,399</u>	<u>10,662,550</u>
Change in Net Position	215,918	1,553,426
Net Position at Beginning of Year	<u>18,708,373</u>	<u>17,154,947</u>
Net Position at End of Year	<u>\$ 18,924,291</u>	<u>\$ 18,708,373</u>

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2022**

- Increase in Capital Grants and Contributions is mainly due to the ARPA grant received.
- Increase in the operating grants and contributions is mainly due to increases in contributions to the library and increases in the ECS grant.
- Charges for services increased by \$285,344 mainly due to increased collections of conveyance tax, building fees and Town Clerk fees and penalties.
- Decreases in investment income is mainly due to unrealized capital losses on the 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, mainly due to the budgeted cost of living increase.
- The increase in highways and public works is mainly due to increases in road maintenance, tree maintenance, debris removal, and culvert repairs due to Tropical Storm IDA.
- Benefits increases are due to an increase in the LOSAP and OPEB changes.
- Education expense increased based on the number of Town students attending RSD #12. The expense is determined by a separate taxpayer approved budget.
- The increase in Commissions is due to increased senior center programs.
- Other expenses increased due increased activity in the Small Cities Housing Rehabilitation Fund.

COVID-19 and Federal Assistance

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 FY22/23 and beyond. The Town implemented the ARPA fund, a special revenue fund, during the year ended June 30, 2022. This fund accounts for the American Rescue Plan resources and expenditures and is reported as a major fund.

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 \$10,870,017 an increase of \$333,394. The governmental fund balance of \$10,870,017 is broken down as follows:

Nonspendable fund balances of \$231,017:

- **\$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
- **\$10,017** for prepaids

Restricted funds balances of \$3,279,428:

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

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2022**

Restricted fund balances (continued):

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

Committed fund balances of \$3,898,372:

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

The remainder of \$3,461,200 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 \$4,915,809. 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 3,461,200 represents 30.79% of total general fund expenditures and net transfers out of \$11,242,968.

During the current fiscal year, the Town's General Fund Balance increased by \$38,643. 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 \$1,041,260.

Budgetary Highlights

The approved projected revenue budget of \$11,256,034 for FY2021/2022 remained unchanged. The approved expenditure budget of \$11,661,757 for FY 2021/2022 increased due to continuing appropriations of \$560,382. The Board of Finance removed commitments of \$1,702 due to finished project.

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 \$165,151. 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 \$85,356, Building and improvements \$209,057 and Infrastructure \$63,704

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2022**

Capital Assets (continued):

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

	Total Primary Government	
	2022	2021
Land.....	\$ 1,516,063	\$ 1,516,063
Construction in Progress.....	225,402	189,727
Land Improvements.....	89,539	103,538
Buildings	2,313,275	2,208,593
Machinery and Equipment	507,621	511,268
Infrastructure.....	4,022,280	4,310,142
Totals	\$ 8,674,180	\$ 8,839,331

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, 2022, the maximum amount of borrowing permitted under the formula would be \$73,340,092. Our outstanding general purpose, general obligation debt is \$23,573,601 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 2021-2022, Roxbury's pro-rata share of school district operations was 33.69%. 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, 2022 (outstanding school bond principal less State of Connecticut bond principal grants) represents overlapping debt to the Town in the amount of \$4,607,108.

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 decreased by \$5,358 from the previous year to \$24,600 as of June 30, 2022.

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 \$235,245 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 irrevocably segregate assets, and therefore, the value of assets are being reported at zero.

**Town of Roxbury
Management's Discussion and Analysis
June 30, 2022**

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.

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 15.25 mills for the Fiscal Year 2022/2023.
The FY 2022/2023 budget of \$11,840,442 sees a \$178,685, or an approximate 1.53% increase in expenditures from the prior year's original budget of \$11,661,757. The Town's share of the Region 12 budget decreased by \$844,072 (10.97%) to \$6,845,607. Other significant changes that offset this decrease are highlighted below:

Revenues

- Property tax revenue is anticipated to increase by \$82,000.
- The increase in Expenditures in the 22/23 year is essentially funded by unrestricted fund balance.

Expenditures

- The General Government Department Budget increased by \$50,078 (6.00%) mainly due to the cost-of-living increase and expected building department costs.
- The Commissions and Boards Department Budget increased by \$28,967 (6.86%) mainly due to cost-of-living increases and expected increases in the senior center programs.
- The Highways and Public Works Department Budget increased by \$125,777 (13.99%) due to increased cost of road materials, along with cost-of-living increases.
- The Protection Department Budget increased by \$94,386 (18.89%) due to a cost-of-living increase and expected increase in insurance cost.
- The Health and Welfare Department Budget increased by \$54,837 (15.26%) due to increased Hauling and Tip Fees associated with the Transfer Station.
- Miscellaneous Budget and benefits increased by a net of \$16,461 due to expected increase in pension contribution and decrease miscellaneous project expenditures.
- Transfer to the nonrecurring capital project fund increased by \$652,251 (155%).
- The Education Budget approved by the Region 12 Board of Education via a separate taxpayer vote, decreased by \$844,072 (10.98%) as compared to prior year.

Unemployment

The Town's unemployment rate as of June 30th 2022, decreased to 2.6% as compared to prior year, June 30, 2021 rate of 4.9%. In comparison, the unemployment rate for the State of Connecticut decreased to 4.0% from the June 30, 2021 rate of 6.8%.

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, 2022

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 9,508,945
Investments, including restricted investment of \$406,097	1,436,092
Property taxes receivable (net)	50,646
Interest and liens receivable	12,776
Other current assets	28,095
Total current assets	<u>11,036,554</u>
Noncurrent Assets	
Capital assets:	
Assets not being depreciated	1,741,465
Assets, net of depreciation of \$14,877,465	6,932,715
Lease receivable	551,766
Mortgages receivable	265,552
Total Assets	<u>20,528,052</u>
Liabilities	
Current Liabilities:	
Accounts payable	313,426
Accrued expenses	17,104
Amounts held in escrow	45,500
Deferred revenue	20,984
Noncurrent Liabilities:	
Due in more than one year	665,942
Total Liabilities	<u>1,062,956</u>
Deferred Inflows of Resources	
Lease -cell tower land	<u>540,805</u>
Net Position	
Net investment in capital assets	8,674,180
Restricted for:	
Trust purposes - Nonexpendable	221,000
Road improvements	1,137,195
Social services and other special purposes	349,815
Support of library services	864,338
Records preservation	19,616
Housing rehabilitation	336,435
ARPA projects	154,452
Recreation	11,480
Unrestricted	7,155,780
Total Net Position	<u>\$ 18,924,291</u>

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

**Town of Roxbury
Statement of Activities
Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
General government	\$ 928,650	\$ 411,799	\$ 20,391	\$ -	\$ (496,460)
Commissions	364,320	33,255	136,089	-	(194,976)
Education	7,433,995	-	61,595	-	(7,372,400)
Highways and public works	1,505,373	-	-	739,909	(765,464)
Protection	458,065	18,199	-	-	(439,866)
Health and welfare	366,483	75,427	43,181	-	(247,875)
Benefits	461,526	-	-	-	(461,526)
Other	295,987	12,770	-	-	(283,217)
Total governmental activities	\$ 11,814,399	\$ 551,450	\$ 261,256	\$ 739,909	(10,261,784)
 General revenues:					
					10,482,787
					7,544
					(107,631)
					95,002
					<u>10,477,702</u>
					 215,918
					18,708,373
					 \$ 18,924,291

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

Town of Roxbury
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds							
	General	Capital Project Funds	Land Acquisition	Town Aid Road Fund	Library	ARPA Fund	Other Governmental Funds	Total Government Funds
Assets:								
Cash and cash equivalents	\$ 4,703,624	\$ 1,884,884	\$ 785,912	\$ 1,363,727	\$ 77,887	\$ 239,646	\$ 453,265	\$ 9,508,945
Investments, unrestricted	-	-	-	-	1,029,995	-	-	1,029,995
Investments, restricted	406,097	-	-	-	-	-	-	406,097
Property taxes receivable	51,646	-	-	-	-	-	-	51,646
Interest and liens receivable	12,776	-	-	-	-	-	-	12,776
Lease and accounts receivable	552,630	-	-	-	314	-	-	552,944
Prepaid expenses	10,017	-	-	-	-	-	-	10,017
Grant receivable	16,900	-	-	-	-	-	-	16,900
Mortgages receivable	-	-	-	-	-	-	265,552	265,552
Due from other funds	65,704	-	-	18,500	-	-	-	84,204
Total Assets	<u>\$ 5,819,394</u>	<u>\$ 1,884,884</u>	<u>\$ 785,912</u>	<u>\$ 1,382,227</u>	<u>\$ 1,108,196</u>	<u>\$ 239,646</u>	<u>\$ 718,817</u>	<u>\$ 11,939,076</u>
Liabilities:								
Accounts payable	\$ 253,140	\$ 36,419	\$ -	\$ 19,532	\$ 1,874	\$ 990	\$ 1,471	\$ 313,426
Amounts held in escrow	45,500	-	-	-	-	-	-	45,500
Deferred revenue	-	-	-	-	20,984	-	-	20,984
Accrued expenses	17,104	-	-	-	-	-	-	17,104
Due to other funds	-	-	-	-	-	84,204	-	84,204
Total Liabilities	<u>315,744</u>	<u>36,419</u>	<u>-</u>	<u>19,532</u>	<u>22,858</u>	<u>85,194</u>	<u>1,471</u>	<u>481,218</u>
Deferred Inflows of Resources:								
Unavailable revenue - property tax	47,036	-	-	-	-	-	-	47,036
Leases	540,805	-	-	-	-	-	-	540,805
Total Deferred Inflows of Resources	<u>587,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,841</u>
Fund Balances:								
Nonspendable:								
Principal of Permanent funds	-	-	-	-	221,000	-	-	221,000
Prepayments	10,017	-	-	-	-	-	-	10,017
Restricted for:								
Length of Service Award Plan	406,097	-	-	-	-	-	-	406,097
Road improvements	-	-	-	1,137,195	-	-	-	1,137,195
Social services and other special purposes	-	-	-	-	-	-	349,815	349,815
Support of Library services	-	-	-	-	864,338	-	-	864,338
Records preservation	-	-	-	-	-	-	19,616	19,616
Housing rehabilitation	-	-	-	-	-	-	336,435	336,435
Recreation	-	-	-	-	-	-	11,480	11,480
ARPA projects	-	-	-	-	-	154,452	-	154,452
Committed for:								
Subsequent year budget deficit	573,379	-	-	-	-	-	-	573,379
Vested sick benefits	31,849	-	-	-	-	-	-	31,849
Post-employment benefits	219,175	-	-	-	-	-	-	219,175
Open space and land acquisition	-	-	785,912	-	-	-	-	785,912
Capital and nonrecurring projects	214,092	1,848,465	-	225,500	-	-	-	2,288,057
Unassigned	3,461,200	-	-	-	-	-	-	3,461,200
Total Fund Balances	<u>4,915,809</u>	<u>1,848,465</u>	<u>785,912</u>	<u>1,362,695</u>	<u>1,085,338</u>	<u>154,452</u>	<u>717,346</u>	<u>10,870,017</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,819,394</u>	<u>\$ 1,884,884</u>	<u>\$ 785,912</u>	<u>\$ 1,382,227</u>	<u>\$ 1,108,196</u>	<u>\$ 239,646</u>	<u>\$ 718,817</u>	<u>\$ 11,939,076</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, 2022

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	\$	10,870,017
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$	23,551,645	
Less accumulated depreciation		<u>(14,877,465)</u>	8,674,180

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		47,036
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	\$	(235,245)	
Compensated absences		(24,600)	
Length of Service Award Plans liability		<u>(406,097)</u>	(665,942)

Total Net Position of Governmental Activities	\$	<u>18,924,291</u>
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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, 2022

	Major Funds						Other Governmental Funds	Total Government Funds
	General	Capital Project Funds Reserve for Capital Exp	Land Acquisition	Town Aid Road Fund	Library	ARPA Fund		
Revenue:								
Property taxes, interest and liens	\$ 10,467,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,467,867
Telecommunication easements	9,728	-	-	-	-	-	-	9,728
Building department fees and permits	133,023	-	-	-	-	-	-	133,023
Federal, state and other grants	202,445	-	-	324,553	15,476	318,443	20,956	881,873
Net investment activity	(27,210)	3,264	1,614	1,812	(157,147)	825	491	(176,351)
Contributions	-	-	-	-	103,612	-	23,225	126,837
Rental income	95,002	-	-	-	-	-	-	95,002
Transfer station fees	75,427	-	-	-	-	-	-	75,427
Licenses, permits and other fees	325,329	-	-	-	12,770	-	4,901	343,000
Total Revenue	<u>11,281,611</u>	<u>3,264</u>	<u>1,614</u>	<u>326,365</u>	<u>(25,289)</u>	<u>319,268</u>	<u>49,573</u>	<u>11,956,406</u>
Expenditures:								
Current								
General government	868,711	-	-	-	-	-	-	868,711
Commissions	340,296	-	-	-	-	-	-	340,296
Highways and public works	872,410	-	-	183,272	-	-	-	1,055,682
Protection	438,185	-	-	-	-	-	-	438,185
Health and welfare	338,089	-	-	-	-	-	18,567	356,656
Benefits	429,932	-	-	-	-	-	-	429,932
Other	25,050	-	-	-	273,773	-	24,907	323,730
Education	7,430,700	-	-	-	-	-	-	7,430,700
Capital outlay								
Capital improvements and equipment	-	214,304	-	-	-	164,816	-	379,120
Total Expenditures	<u>10,743,373</u>	<u>214,304</u>	<u>-</u>	<u>183,272</u>	<u>273,773</u>	<u>164,816</u>	<u>43,474</u>	<u>11,623,012</u>
Excess (Deficiency) of Revenue over Expenditures	<u>538,238</u>	<u>(211,040)</u>	<u>1,614</u>	<u>143,093</u>	<u>(299,062)</u>	<u>154,452</u>	<u>6,099</u>	<u>333,394</u>
Other Financing Sources (Uses)								
Operating transfers in (out)	(499,595)	364,595	10,000	-	125,000	-	-	-
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	<u>38,643</u>	<u>153,555</u>	<u>11,614</u>	<u>143,093</u>	<u>(174,062)</u>	<u>154,452</u>	<u>6,099</u>	<u>333,394</u>
Fund Balance - beginning of year	<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>-</u>	<u>711,247</u>	<u>10,536,623</u>
Fund Balance - end of year	<u>\$ 4,915,809</u>	<u>\$ 1,848,465</u>	<u>\$ 785,912</u>	<u>\$ 1,362,695</u>	<u>\$ 1,085,338</u>	<u>\$ 154,452</u>	<u>\$ 717,346</u>	<u>\$ 10,870,017</u>

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, 2022

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 **\$ 333,394**

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	\$ 393,792	
Less current year depreciation	<u>(558,943)</u>	(165,151)

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

Property taxes receivable	5,192
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Some expenses reported in the statement of activities do not require the use
of current financial resources and, therefore, are not reported as expenditures
in governmental funds; 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	(10,344)	
Change in Compensated absences	5,358	
Change in Length of Service Award Plan liability	<u>47,469</u>	42,483

Change in Net Position of Governmental Activities **\$ 215,918**

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

Town of Roxbury
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Defined Contribution Plan
<hr/>	
Assets:	
Cash on Hand	\$ 12,541
Investments - at fair value	994,023
Total Assets	<u><u>1,006,564</u></u>
 Net Position:	
Held in Trust for Pension Benefits	\$ <u><u>1,006,564</u></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, 2022

	Defined Contribution Plan
<hr/>	
Additions:	
Contribution	
Town	\$ 32,366
Investment Income (loss)	
Net Appreciation (depreciation) in Fair Values of Investments	(150,647)
Interest and Dividends	26,987
Gross Investment Income (loss)	<u>(123,660)</u>
Less Investment Expense	11,619
Net Investment Income (loss)	<u>(135,279)</u>
Total Additions	(102,913)
Deductions: Pension Benefits	<u>191,300</u>
Change in Net Position	(294,213)
Net Position Held in Trust For Pension Benefits	
Beginning of the Year	<u>1,300,777</u>
End of the Year	\$ <u><u>1,006,564</u></u>

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, 2022.

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 \$15,014 for the operation of the Lake Authority for the year ended June 30, 2022.

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 \$1,340 for the operation of the NHCOC for the year ended June 30, 2022.

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.

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

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)

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.

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.

ARPA fund accounts for resources and expenditures of the American Rescue Plan Act.

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.

Town of Roxbury
Notes to Financial Statements

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

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.

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.

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.

Town of Roxbury
Notes to Financial Statements

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

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.

Property Tax Receivable

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, 2022, 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.

Leases Receivable

The Town lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the town receives fixed monthly payments and 50% revenue sharing. The 50% revenue sharing is recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Property Tax Receivable

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

Town of Roxbury
Notes to Financial Statements

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

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

Capital Assets (continued)

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.

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.

Town of Roxbury
Notes to Financial Statements

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

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

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

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.

Town of Roxbury
Notes to Financial Statements

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.

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.

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.

Town of Roxbury
Notes to Financial Statements

Note "3" – Cash, Deposits and Investments

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2022:

	Governmental Funds	Fiduciary Funds
Deposits:		
Demand accounts	\$ 1,333,307	\$ ---
Certificate of deposits	960,709	
Petty Cash/Cash on hand	381	12,541
Cash equivalents:		
State short-term investment fund (STIF)	2,398,997	---
Overnight repurchase agreement	4,815,150	---
Total Cash and Cash Equivalents	<u>\$ 9,508,544</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, 2022, the carrying amount of the Town's deposits was \$2,294,016 and the bank balance was \$2,409,524. Of the Town's bank balance, \$3,222,956 was exposed to custodial credit risk; as follows:

Uninsured and uncollateralized	\$ 1,918,572
Uninsured and collateralized held by pledging	
Bank's trust department not in the town's name	490,952
Total amount subject to custodial credit risk	<u>\$ 2,409,524</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, 2022, the Town's cash equivalents amounted to \$7,214,147. 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.

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

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, 2022, 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>	<u>Alternative Investment</u>
Primary Government				
Mutual Funds	\$ 1,400,006	N/A	N/A	
Money market funds held for investing	36,086	not rated	N/A	
Total Primary Government	<u>\$ 1,436,092</u>			
Fiduciary Funds				
Mutual funds	\$ 957,266	N/A	N/A	
Money market funds	36,757	Not Rated	N/A	
Total Fiduciary Funds	<u>\$ 994,023</u>			

Town of Roxbury
Notes to Financial Statements

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

D. Investments (Continued)

**** 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.

\$406,097 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, 2022 whose fair value was determined using Level 3 inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2022.

6/30/2022			
Fair Value Measurements			
Investments By Fair Value Level	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Money Market Funds	\$ -	\$ 72,843	\$ 72,843
Mutual Funds	2,357,272	-	2,357,272
Total Investments & Cash Equivalent by Fair Value Level	\$ 2,357,272	\$ 72,843	\$ 2,430,115

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.

Town of Roxbury
Notes to Financial Statements

Note "4" – Receivable

A. Property Tax, Interest and Liens Receivable

Receivables at June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

Taxes:

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

Other Receivable:

Lease Receivable	\$	551,766
Account receivable - private duty		864
Net receivables	\$	<u>552,630</u>

B. Mortgages Receivable

The amount recorded as a mortgage receivable, \$265,552 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.

C. Lease Receivable

The town ("Lessor") entered in a lease agreement with Tower Co Assets LLC for the right to use the land on which a cell tower is placed.

The lease was signed February 19, 1999 and subsequently amended to expire February 2045. Under the lease terms the lessor will receive fixed monthly payments along with 50% revenue sharing. The variable revenue sharing is recorded as an inflow of resources in the period the payment is received. The fixed monthly payments are measured at the present value of the lease payments expected to be received during the lease term. The lessor recognizes a lease receivable, at the net present value of all the lease payments expected to be received. The lessor also recognizes deferred inflows of resources, at the initial value of the lease receivable. This deferred inflow is recognized as lease revenue in a systematic and rational manner over the lease term.

The lease agreement reported in the governmental activities is summarized as follows:

<u>description</u>	<u>discount rate</u>	<u>lease receivable at</u> <u>June 30, 2022</u>	<u>deferred inflows at</u> <u>June 30, 2022</u>
cell tower	4%	\$551,766	540,805

Town of Roxbury
Notes to Financial Statements

Note "4" – Receivable (continued)

C. Lease Receivable (continued)

The future minimum lease payments to be received under the lease agreement follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	13,194	38,626	51,820
2024	13,864	37,547	51,411
2025	14,567	36,426	50,993
2026	15,306	35,258	50,564
2027	16,084	34,042	50,126
2028-2032	93,519	150,182	243,701
2033-2037	119,783	111,455	231,238
2028-2042	153,422	64,169	217,591
2043-2045	<u>112,027</u>	<u>11,548</u>	<u>123,575</u>
Total	<u>551,766</u>	<u>519,253</u>	<u>1,071,019</u>

Note "5" - Capital Assets

Capital asset activity for the year ended June 30, 2022 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	138,977	12,875	---	151,852
Transportation	50,750	22,800	---	73,550
Capital Assets - Depreciated:				
Land improvements	881,230	---	---	881,230
Building & improvements	4,931,613	209,057	21,350	5,119,320
Machinery, equipment & vehicles	3,129,879	85,356	---	3,215,235
Infrastructure	<u>12,530,691</u>	<u>63,704</u>	<u>---</u>	<u>12,594,395</u>
Total Capital Assets Being Depreciated	<u>21,473,413</u>	<u>358,117</u>	<u>21,350</u>	<u>21,810,180</u>
Less: Accumulated Depreciation				
Land improvements	777,692	13,999	---	791,691
Building & improvements	2,723,020	104,375	21,350	2,806,045
Machinery, equipment & vehicles	2,618,611	89,003	---	2,707,614
Infrastructure	<u>8,220,549</u>	<u>351,566</u>	<u>---</u>	<u>8,572,115</u>
Total Accumulated Depreciation	<u>14,339,872</u>	<u>558,943</u>	<u>21,350</u>	<u>14,877,465</u>
Capital Assets Being Depreciated - Net	<u>7,133,541</u>	<u>(200,826)</u>	<u>---</u>	<u>6,932,715</u>
Capital Assets - Net	<u>\$ 8,839,331</u>	<u>\$(165,151)</u>	<u>\$ ---</u>	<u>\$ 8,674,180</u>

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

Town of Roxbury
Notes to Financial Statements

Note "5" - Capital Assets (continued)

Governmental Activities

General government services	\$ 59,939
Commissions	24,024
Public works, including depreciation of general infrastructure assets	441,978
Health & Welfare	9,827
Education	3,295
Protection	19,880
Total depreciation expense	<u>\$ 558,943</u>

Note "6" – Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2022</u>	<u>Amounts Due in</u> <u>One Year</u>
<u>Compensated Absences Vested</u> <u>or accumulated severance and</u> <u>sick leave</u>	\$ 29,958	\$ 1,998	\$ 7,356	\$ 24,600	\$ -
<u>Length of Service Award Plan</u>	453,566	-	47,469	406,097	-
<u>Post Retirement Healthcare</u> <u>Benefit Obligation</u>	224,901	17,260	6,916	235,245	-
<u>Totals</u>	<u>\$ 708,425</u>	<u>\$ 19,258</u>	<u>\$ 61,741</u>	<u>\$ 665,942</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 33.69% based on the Town's share of the school budget. The amount attributable to the Town at June 30, 2022 is \$4,607,108.

Note "8" – Interfund Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Major Governmental Funds:	<u>Transfers From</u> <u>Other Funds</u>	<u>Transfers to</u> <u>Other Funds</u>	<u>Net Transfers</u>
General Fund	\$ -	\$ 499,595	\$ (499,595)
Reserve for Capital Expenditure Fund	364,595	-	364,595
Land Acquisition Fund	10,000	-	10,000
Library Fund	125,000	-	125,000
Totals	<u>\$ 499,595</u>	<u>\$ 499,595</u>	<u>\$ -</u>

Town of Roxbury
Notes to Financial Statements

Note "8" – Interfund Transfers (continued)

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, 2022, the following individual funds had operating deficiencies and/or fund deficits, none of which constitutes a violation of statutory provision:

	<u>Deficit from</u> <u>Operations</u>	<u>Fund Balance</u> <u>Deficit</u>
Non-Major Governmental Funds, Special Revenue Funds:		
1st Selectman Discretionary	\$ 602	\$ -
Small cities housing rehabilitation	1,826	-
		-
Major Governmental Funds:		
Library Fund	\$ 174,062	-

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.

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 6 employees.

Town of Roxbury
Notes to Financial Statements

Note "12" - Municipal Employee Money Purchase Pension Plan (continued)

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, 2022 totaled \$32,366. 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 \$21,250 to this plan for the year ended June 30, 2022. There were no benefit withdrawals for the year ended June 30, 2022.

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, 2026. The Town's required contribution for the year ended June 30, 2022 was \$3.00 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, 2022 was \$31,400.

Town of Roxbury
Notes to Financial Statements

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 that was established in an expired union agreement. Benefit provisions were established through negotiations between the Town and the union representing the employees. The Town is responsible to pay health insurance benefits to certain union employees and their spouses if the employee retires at or after age 60 but before the employee and the spouse are eligible for medicare benefits. There are three potential beneficiaries who may receive benefits. No other employee will become eligible for the benefit.

The Town currently pays for post-employment health care benefits on a pay-as-you-go basis. As of June 30, 2022, 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, 2022:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>2</u>
Total	<u>3</u>

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	\$ 235,245
Plan fiduciary net position	<u>---</u>
Net OPEB liability	<u>\$ 235,245</u>

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

Town of Roxbury
Notes to Financial Statements

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

D. Alternative Measurement Report Methods and Assumptions

The total OPEB liability was determined by a valuation as of June 30, 2022, 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.

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 2.75%, 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 (3.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.75%</u>	<u>2.75%</u>	<u>3.75%</u>
Net OPEB Liability	\$ 243,769	\$ 235,245	\$ 227,097

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	\$ 227,547	\$ 235,245	\$ 243,241

Town of Roxbury
Notes to Financial Statements

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

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, 2021	\$ 224,901	\$ ---	\$ 224,901
Changes for the Year:			
Service cost	11,075	---	11,075
Interest cost	6,185	---	6,185
Differences between expected and actual experience	(6,916)	---	(6,916)
Net changes	<u>10,344</u>	<u>---</u>	<u>10,344</u>
Balances as of June 30, 2022	\$ <u>235,245</u>	\$ <u>---</u>	\$ <u>235,245</u>

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$10,344. At June 30, 2022, the Town does not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

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	\$ 40,318
Library Maintenance (paint)	47,103
Public Works Garage/Barn	1,268
Senior Center Maintenance	6,520
Preparation and implementation of the Accounting Procedure Manual	10,750
Town Hall Maintenance	48,064
Replace Financial Software	26,245
Treasurer Upgrades	2,790
Ambulance Replace	20,000
Conservation	2,776
Affordable Housing	<u>8,258</u>
Total	<u>\$ 214,092</u>

Town of Roxbury
Notes to Financial Statements

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, 2022

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues:					
Property Taxes, Interest and Fees	\$ 10,276,223	\$ -	\$ 10,276,223	\$ 10,467,867	\$ 191,644
State Grants					
State and Federal Grants	106,780	-	106,780	202,445	95,665
Other Revenue					
Investment Income	15,000	-	15,000	21,137	6,137
Real Estate Conveyance Taxes and Other Fees	130,000	-	130,000	257,690	127,690
Building Department Fees	140,000	-	140,000	133,023	(6,977)
Transfer Station Fees	58,000	-	58,000	75,427	17,427
Recreation	4,000	-	4,000	6,267	2,267
Land Use Permits	7,400	-	7,400	6,980	(420)
Senior-Center including contributions	28,450	-	28,450	20,008	(8,442)
Ambulance Association	8,000	-	8,000	10,438	2,438
Telecommunication PILOT	8,965	-	8,965	9,728	763
Rent-Cell Tower & Other	92,205	-	92,205	104,417	12,212
Regional School District #12 surplus	353,424	-	353,424	258,978	(94,446)
Miscellaneous Receipts	27,587	-	27,587	23,946	(3,641)
Total Other Revenue	<u>873,031</u>	<u>-</u>	<u>873,031</u>	<u>928,039</u>	<u>55,008</u>
Other Financing Sources:					
Operating transfers in	-	-	-	-	-
Reserve for Capital Expenditures	-	-	-	-	-
Total Revenues	<u>\$ 11,256,034</u>	<u>-</u>	<u>\$ 11,256,034</u>	<u>\$ 11,598,351</u>	<u>\$ 342,317</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, 2022

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Expenditures					
General Government					
Selectmen's Salaries	100,983	-	100,983	100,983	-
Grant Procurement	10,000	-	10,000	10,000	-
Selectmen's Office	68,408	-	68,408	78,016	9,608
Finance Director	65,144	-	65,144	63,570	(1,574)
Treasurer	24,515	-	24,515	23,585	(930)
Town Clerk	91,603	-	91,603	92,940	1,337
Tax Collector	56,046	-	56,046	56,276	230
Assessors	78,055	-	78,055	72,568	(5,487)
Board of Assessment Appeals	782	-	782	556	(226)
Board of Finance	3,300	-	3,300	2,527	(773)
Building Department	103,724	-	103,724	100,964	(2,760)
Probate Court	2,787	-	2,787	2,787	-
Postage/Delivery	6,250	-	6,250	7,080	830
Town Hall	124,643	-	124,643	108,800	(15,843)
Elections	25,961	-	25,961	11,420	(14,541)
Auditor	22,000	-	22,000	23,000	1,000
Legal Fees	30,000	-	30,000	34,839	4,839
Animal Control	19,417	-	19,417	14,225	(5,192)
Town Reports	1,250	-	1,250	556	(694)
Total General Government	834,868	-	834,868	804,692	(30,176)
Commissions/Boards					
Land Use Salaries	94,622	-	94,622	91,487	(3,135)
Planning	1,605	-	1,605	146	(1,459)
Zoning	1,755	-	1,755	2,834	1,079
Zoning Board of Appeals	850	-	850	-	(850)
Conservation	1,200	-	1,200	420	(780)
Inland - Wetlands	2,060	-	2,060	1,250	(810)
Volunteer Recognition Comm	2,000	-	2,000	3,944	1,944
Historic District	575	-	575	843	268
Historic Buildings	3,200	-	3,200	5,577	2,377
Senior Center	81,443	-	81,443	88,868	7,425
Senior Center Programs	28,450	-	28,450	22,504	(5,946)
Library Other	27,404	-	27,404	24,648	(2,756)
Lake Lillinoah Authority	15,014	-	15,014	15,014	-
ASAP, After School Arts Program	5,000	-	5,000	5,000	-
Recreation	29,700	-	29,700	21,518	(8,182)
Swim Pond Improvements	2,175	-	2,175	-	(2,175)
Total Commissions/Boards	297,053	-	297,053	284,053	(13,000)

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, 2022

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Highways and Public Works					
Public Works Salary/Overtime	335,970	-	335,970	314,717	(21,253)
Town Roads	100,100	-	100,100	76,877	(23,223)
Town Roads Winter Maintenance	100,000	-	100,000	93,747	(6,253)
Unimproved Town Roads	56,300	-	56,300	56,877	577
Unimproved Town Roads Winter Maintenance	30,000	-	30,000	17,160	(12,840)
Town Garage and Salt Barn	23,300	-	23,300	22,402	(898)
Maintenance, Operation, Repairs of Town Equipment	106,232	-	106,232	136,338	30,106
Surveyors/Engineers	5,000	-	5,000	6,405	1,405
Tree Maintenance	75,000	-	75,000	51,725	(23,275)
Town Parks	66,845	-	66,845	52,500	(14,345)
Total Highways and Public Works	898,747	-	898,747	828,748	(69,999)
Protection					
Police - Town	139,639	-	139,639	94,224	(45,415)
Police - State	107,500	-	107,500	89,832	(17,668)
Town Police - Private Duty Budgeted Net	1,000	-	1,000	1,455	455
Ambulance/Paramedic Program	31,736	-	31,736	31,636	(100)
Fire Department	66,650	-	66,650	66,167	(483)
Emergency Services Recruitment	500	-	500	-	(500)
Fire Marshal	8,027	-	8,027	6,964	(1,063)
Insurance and Bonds	101,793	-	101,793	116,187	14,394
Street Lights/Unmetered Service	2,800	-	2,800	2,512	(288)
Civil Preparedness/Blackboard	24,500	-	24,500	13,899	(10,601)
E-911 System	15,409	-	15,409	15,309	(100)
Total Protection	499,554	-	499,554	438,185	(61,369)
Health and Welfare					
Visiting Nurse Services	4,900	-	4,900	490	(4,410)
Vital Statistics	500	-	500	680	180
Mun Agent/Soc Svcs/Vet Coord	35,773	-	35,773	31,145	(4,628)
Elderly/Disabled Svcs/Transportation	38,660	-	38,660	20,371	(18,289)
Welfare	1,000	-	1,000	725	(275)
Newtown Health District	32,300	-	32,300	32,328	28
Transfer Station	246,313	-	246,313	246,008	(305)
Total Health and Welfare	359,446	-	359,446	331,747	(27,699)

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, 2022

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Benefits					
Insurance Benefits	196,281	-	196,281	202,813	6,532
Personal Benefits	71,866	-	71,866	70,463	(1,403)
Social Security	79,590	-	79,590	76,287	(3,303)
Medicare	18,614	-	18,614	17,841	(773)
Pension Plan, Fees and VFD Contribution	87,114	-	87,114	83,778	(3,336)
Unemployment Compensation	100	-	100	-	(100)
Total Benefits	453,565	-	453,565	451,182	(2,383)
Other					
Ordinance Codification	1,000	-	1,000	1,899	899
Copiers/Fax	3,250	-	3,250	4,475	1,225
Computer Upgrades	6,000	-	6,000	5,925	(75)
Contingency	33,000	-	33,000	-	(33,000)
Memorial Day Observance	1,100	-	1,100	1,446	346
Miscellaneous	9,900	-	9,900	11,305	1,405
Total Other	54,250	-	54,250	25,050	(29,200)
Transfers					
Library Fund	125,000	-	125,000	125,000	-
Land Acquisition Fund	10,000	-	10,000	10,000	-
Reserve for Capital Expenditure Fund:					
Repl #1 '07 John Deer 672 Grader '27	25,000	-	25,000	25,000	-
Repl #7 '07 Intl 7600 in '27	20,000	-	20,000	20,000	-
Repl#8 '01 Mack Truck/Sand/Plow '24	30,000	-	30,000	30,000	-
Repl#10 '88 Mack Truck/Sand/Plow '23	30,000	-	30,000	30,000	-
Repl #16 '07 Backhoe '26	15,000	-	15,000	15,000	-
Repl #2 & #13 Loaders	70,000	-	70,000	70,000	-
Repl Engine #9 Mack Rescue '2027	46,520	-	46,520	46,520	-
Repl Engine #10 RVFD in '27	52,000	-	52,000	52,000	-
Town police fleet & body cams	27,300	-	27,300	27,300	-
Hodge Library Renovations	8,775	-	8,775	8,775	-
Wellers Bridge	30,000	-	30,000	30,000	-
Transfer Station Maint/Containers/Compactor	5,000	-	5,000	5,000	-
Tennis Court Maintenance	5,000	-	5,000	5,000	-
Total Transfers	499,595	-	499,595	499,595	-

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, 2022

	Original Budget	Transfers, Continuing/ Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Education	7,689,679	-	7,689,679	7,689,678	(1)
Continuing Appropriations - see note to schedule					
Post Employment Benefits Committed	20,000	199,175	219,175	-	(219,175)
Vested Sick Benefits Committed	-	31,849	31,849	-	(31,849)
Town Hall Building Maintenance	-	79,132	79,132	31,068	(48,064)
Revaluation	10,000	39,255	49,255	8,937	(40,318)
Financial Admin-Software	-	34,139	34,139	7,894	(26,245)
Senior Ctr Maint Carpet/Paint	-	37,538	37,538	31,018	(6,520)
Minor Mem Lib Exterior Maint	30,000	42,103	72,103	25,000	(47,103)
Stain Barn/Garage Repairs	5,000	39,930	44,930	43,662	(1,268)
Board of Finance Procedure Manual	-	10,750	10,750	-	(10,750)
Treas - Upgrades	-	2,790	2,790	-	(2,790)
Ambulance Repl A1 '29	10,000	10,000	20,000	-	(20,000)
Conservation	-	3,001	3,001	225	(2,776)
HDC Survey Coloring Book	-	16,120	16,120	16,120	-
Affordable housing	-	14,600	14,600	6,342	(8,258)
Planning POCD	-	-	-	-	-
Total Continuing Appropriations	<u>75,000</u>	<u>560,382</u>	<u>635,382</u>	<u>170,266</u>	<u>(465,116)</u>
Total Expenditures and Transfers	<u>11,661,757</u>	<u>560,382</u>	<u>12,222,139</u>	<u>11,523,196</u>	<u>(698,943)</u>
Revenues less Expenditures	(405,723)	(560,382)	(966,105)	75,155	1,041,260
Fund Balance-beginning of year	<u>405,723</u>	<u>560,382</u>	<u>966,105</u>	<u>4,423,599</u>	<u>3,457,494</u>
Fund Balance- end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,498,754</u>	<u>\$ 4,498,754</u>

Concluded

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

Town of Roxbury
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual
Year Ended June 30, 2022

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:

	<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, 2022 - Actual	\$ 11,598,351	\$ 11,523,196	\$ 4,498,754
Prior year refund from RSD #12 offsets expenditure	(258,978)	(258,978)	-
LOSAP investments and activity:			
Investments recorded for GAAP not Budget	-	-	453,567
LOSAP contribution	-	(21,250)	21,250
LOSAP investment activity	(68,719)	-	(68,719)
Lease adjustment in accordance with GASB 87	10,957	-	10,957
Actual GAAP - June 30, 2022	<u>\$ 11,281,611</u>	<u>\$ 11,242,968</u>	<u>\$ 4,915,809</u>

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

	2022	2021	2020
Total OPEB liability:			
Service Cost	\$ 11,075	\$ 12,439	\$ 14,436
Interest Cost	6,185	5,045	5,907
Differences between expected and actual experience	(6,916)	(44,840)	(63,456)
Net change in total OPEB liability	10,344	(27,356)	(43,113)
Total OPEB liability - beginning	224,901	252,257	295,370
Total OPEB liability - ending	235,245	224,901	252,257
Plan fiduciary net position:			
Plan fiduciary net position at end of the year	-	-	-
Net OPEB liability	\$ 235,245	\$ 224,901	\$ 252,257
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	141,991	130,338	194,718
Net OPEB liability as a percentage of covered employee payroll	165.68%	172.55%	129.55%

Town of Roxbury
Non-Major Governmental Funds, Special Revenue Funds
Combining Balance Sheet
June 30, 2022

	1st Selectman Discretionary	Apple Lane	Hodge Funds	Community Volunteer	Historic Document Preservation	Small Cities Housing Rehabilitation	Total Other Govt. Funds
Assets:							
Cash	\$ 6,460	\$ 11,480	\$ 343,026	\$ 329	\$ 19,616	\$ 72,354	\$ 453,265
Investments at fair value	---	---	---	---	---	---	---
Prepaid expenses	---	---	---	---	---	---	---
Mortgages receivable	---	---	---	---	---	265,552	265,552
Total Assets	<u>\$ 6,460</u>	<u>\$ 11,480</u>	<u>\$ 343,026</u>	<u>\$ 329</u>	<u>\$ 19,616</u>	<u>\$ 337,906</u>	<u>\$ 718,817</u>
Liabilities:							
Account Payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,471	\$ 1,471
Fund Balances:							
Restricted for:							
Social services and other special purposes	6,460	---	343,026	329	---	---	349,815
Records preservation	---	---	---	---	19,616	---	19,616
Housing rehabilitation	---	---	---	---	---	336,435	336,435
Recreation	---	11,480	---	---	---	---	11,480
Total Fund Balance	<u>6,460</u>	<u>11,480</u>	<u>343,026</u>	<u>329</u>	<u>19,616</u>	<u>336,435</u>	<u>717,346</u>
Total Liabilities and Fund Balance	<u>\$ 6,460</u>	<u>\$ 11,480</u>	<u>\$ 343,026</u>	<u>\$ 329</u>	<u>\$ 19,616</u>	<u>\$ 337,906</u>	<u>\$ 718,817</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, 2022

	1st Selectman Discretionary	Apple Lane	Hodge Funds	Community Volunteer	Historic Document Preservation	Small Cities Housing Rehabilitation	Total Other Govt. Funds
Revenues							
Investment income (loss)	\$ 6	\$ 6	\$ 424	\$ ---	\$ ---	\$ 55	\$ 491
Contributions	---	1,000	22,225	---	---	---	23,225
Federal grants	---	---	---	---	---	20,956	20,956
Activity income	---	---	---	---	4,901	---	4,901
Total	<u>6</u>	<u>1,006</u>	<u>22,649</u>	<u>---</u>	<u>4,901</u>	<u>21,011</u>	<u>49,573</u>
Expenditures							
Activity expenses	<u>608</u>	<u>---</u>	<u>17,959</u>	<u>---</u>	<u>2,070</u>	<u>22,837</u>	<u>43,474</u>
Excess (Deficiency) of Revenue over expenditures	(602)	1,006	4,690	---	2,831	(1,826)	6,099
Other Financing (Uses)							
Operating transfers (out)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (Deficiency) of Revenue Over Expenditures and Other Uses	(602)	1,006	4,690	---	2,831	(1,826)	6,099
Fund Balances							
Beginning of Year	<u>7,062</u>	<u>10,474</u>	<u>338,336</u>	<u>329</u>	<u>16,785</u>	<u>338,261</u>	<u>711,247</u>
End of Year	<u>\$ 6,460</u>	<u>\$ 11,480</u>	<u>\$ 343,026</u>	<u>\$ 329</u>	<u>\$ 19,616</u>	<u>\$ 336,435</u>	<u>\$ 717,346</u>

Town of Roxbury
Report of Tax Collector
Year Ended June 30, 2022

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	
2020	\$ 10,433,735	\$ 11,421	\$ (12,098)	\$ (1,340)	10,431,718	\$ 10,397,470	\$ (125)	\$ 30,629	\$ 666	\$ 10,428,640	\$ 34,373
2019	42,334	1,069	(1,342)	-	42,061	31,249	627	5,684	219	37,779	10,185
2018	9,605		(82)	-	9,523	5,132	85	2,074	96	7,387	4,306
2017	2,440	-	-	-	2,440	787	143	450	52	1,432	1,510
2016	1,815	-	-	-	1,815	543	-	386	-	929	1,272
2015	117	-	-	-	117	117	-	19	-	136	-
Suspense book collections	-	-	-	526	526	526	-	257	70	853	-
Totals	\$ 10,490,046	12,490	(13,522)	(814)	10,488,200	10,435,824	730	39,499	1,103	10,477,156	51,646

Town of Roxbury
Statement of Debt Limitation
Year Ended June 30, 2022

Total Tax Collections (including interest and lien fees) \$ 10,477,156

Reimbursement for Revenue Loss On:

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

Total Receipts from Taxation \$ 10,477,156

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation	\$	\$	\$	\$	\$
2 1/4 times base	23,573,601	-	-	-	-
4 1/2 times base	-	47,147,202	-	-	-
3 3/4 times base	-	-	39,289,335	-	-
3 1/4 times base	-	-	-	34,050,757	-
3 times base	-	-	-	-	31,431,468
Total Debt Limitation	<u>23,573,601</u>	<u>47,147,202</u>	<u>39,289,335</u>	<u>34,050,757</u>	<u>31,431,468</u>

Indebtedness

Town's share of Regional School District debt, at 33.69%

General Obligation Bonds issued 4/10/19 - \$7,175,000 - 2,417,258 - - 0

General Anticipation Notes issued 11/18/21 - \$6,500,000 - 2,189,850 - - -

Total Indebtedness - 4,607,108 - - -

Debt Limitation in Excess of

Outstanding and Authorized Debt \$ 23,573,601 \$ 42,540,095 \$ 39,289,335 \$ 34,050,757 \$ 31,431,468

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



Charles Heaven & Co.
Certified Public Accountants
Waterbury, Connecticut

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, 2022, 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 25, 2023.

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.

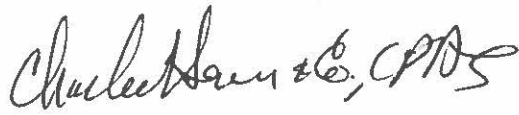
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



CHARLES HEAVEN & CO.
Waterbury, Connecticut

January 25, 2023