

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 22, 2026

NEW ISSUE

S&P GLOBAL RATINGS: AA-
(See "Ratings" herein)

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

TOWN OF ASHFORD, CONNECTICUT

\$1,600,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026 (the "Bonds")
(BOOK-ENTRY-ONLY)
(BANK QUALIFIED)

Dated: Date of Delivery

Due: July 15, 2027-2041, as shown below

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

Interest on the Bonds will be payable on July 15 and January 15 in each year until maturity, commencing January 15, 2027.

The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein).

The Bonds will be issued by means of a book-entry transfer system and will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Ownership of the Bonds will be in the denominations of \$5,000 or integral multiples thereof. The Beneficial Owners will not receive certificates representing their ownership interest in the Bonds. Principal and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. So long as Cede & Co. is the Bondowner as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry-Only Transfer System" herein).

The Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut.

The Bonds are being offered for sale in accordance with an official Notice of Sale dated June 22, 2026. Electronic bids solely via PARITY® for the Bonds will be received until 11:00 A.M. (Eastern Time) on July 7, 2026, as described in the official Notice of Sale. (See Appendix D to this Official Statement).

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Coupon	Yield	CUSIP (1)	Maturity	Amount	Coupon	Yield	CUSIP (1)
2027	\$ 105,000			044095***	2035	\$ 105,000			044095***
2028	105,000			044095***	2036	105,000			044095***
2029	105,000			044095***	2037	110,000			044095***
2030	105,000			044095***	2038	110,000			044095***
2031	105,000			044095***	2039	110,000			044095***
2032	105,000			044095***	2040	110,000			044095***
2033	105,000			044095***	2041	110,000			044095***
2034	105,000			044095***					

The Bonds are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-form will be made on or about July 21, 2026 through the facilities of DTC.

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

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

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

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

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

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

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

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

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

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

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

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BOND ISSUE SUMMARY

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

Date of Sale:	Tuesday, July 7, 2026, 11:00 AM (Eastern Time).
Location of Sale:	Electronic bids <u>solely</u> via PARITY [®] as described in the official Notice of Sale. (See "Appendix D – Notice of Sale" to this Official Statement).
Issuer:	Town of Ashford, Connecticut (the "Town").
Issue:	\$1,600,000 General Obligation Bonds, Issue of 2026 (the "Bonds").
Dated Date:	Date of delivery, July 21, 2026.
Interest Due:	January 15, 2027 and semiannually thereafter on July 15 and January 15 in each year until maturity.
Principal Due:	Serially, July 15, 2027 through 2041, as detailed in this Official Statement.
Purpose and Authority:	The proceeds of the Bonds will be used to fund school roof replacement projects as approved at a Special Town Meeting. See "Authorization and Use of Proceeds" herein
Redemption:	The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein).
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "AA-" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding bonds is "Aa3" by Moody's Ratings ("Moody's"). (See "Ratings" herein).
Basis of Award:	Lowest True Interest Cost ("TIC"), as of dated date.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events not in excess of ten (10) business days of the occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about July 21, 2026 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to Sherri Soucy, Finance Director/Treasurer, Town of Ashford, 5 Town Hall Road, Ashford, Connecticut 06278. Telephone: 860-487-4405.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mark Chapman, Managing Director, Telephone: 203-421-2087.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Ashford, Connecticut (the "Town") in connection with the issuance of \$1,600,000 General Obligation Bonds (the "Bonds") of the Town, and may not be reproduced or used in whole or in part for any other purpose.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated June 22, 2026 has been furnished to prospective bidders. Reference is made to the Notice of Sale (See Appendix D to this Official Statement) for the terms and conditions of bidding on the Bonds.

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

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

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

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on July 15 in each of the years and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will be payable on July 15 and January 15 in each year until maturity, commencing January 15, 2027. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of June and December in each year. The Bonds will be issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof for any single maturity. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein). The Registrar, Certifying Agent, Transfer Agent and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement. **The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein.)**

REDEMPTION PROVISIONS

The Bonds maturing on or before July 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after July 15, 2033, at any time, either in whole or in part in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, at the redemption price (expressed as a percentage of the par amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
July 15, 2033 and thereafter	100.0%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part, at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

AUTHORIZATION AND USE OF PROCEEDS

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

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

Project	Amount of Total Authorization	Notes Maturing July 21, 2026	Additions / (Reductions)	The Bonds (This Issue)
Ashford School Roof Replacement Project...	\$ 5,000,000	\$ 1,600,000	\$ -	\$ 1,600,000

RATINGS

The Bonds have been rated "AA-" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding general obligation bonds is "Aa3" by Moody's Ratings ("Moody's"). Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agencies furnishing the same, at the following address: S&P Global Ratings: 55 Water Street, New York, New York 10041 and Moody's Ratings, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's outstanding bonds and notes, including the Bonds.

SECURITY AND REMEDIES

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

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts and except as provided by a budget limitation ordinance of the Town entitled "Resolution 80", adopted at referendum held April 29, 1980. There were 97 acres of such classified forest land on the last completed grand list of the Town. The Town may place a lien on the property for the amount of tax relief granted, plus interest with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income. The budget limitation ordinance of the Town reads, in relevant portion, as follows:

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

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

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

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

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

Enforcement of a claim for payment of principal or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company (“DTC”), will act as securities depository for the Bonds, unless directed otherwise by the purchaser of the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

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

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

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

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

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

REPLACEMENT BONDS

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

DTC PRACTICES

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

TAX MATTERS

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

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

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

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

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

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

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

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

Accrued original issue discount on an OID Bond is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

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

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

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

PUBLIC HEALTH CONSIDERATIONS

Commencing in late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19") resulted in a global public health crisis. The federal and State governments both declared public health emergencies and, along with local governments, took action to limit the spread of the outbreak and reduce the resulting economic impact. The federal and State public health emergency declarations have since been terminated.

While COVID-19 continues to circulate and cause infections, vaccination rates have increased, and the number of cases and hospitalizations have decreased since the peak of the pandemic. To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the Town and its financial and operational performance.

The Town received \$1.7 million from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the "COVID-19 Aid"). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

CYBERSECURITY

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

CLIMATE CHANGE

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

QUALIFICATIONS FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE

The Town prepares, in accordance with State Law, annual independent audited financial statements and the Annual Comprehensive Financial Report and files such annual reports with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide S&P Global Ratings ongoing disclosure in the form of annual comprehensive financial reports, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

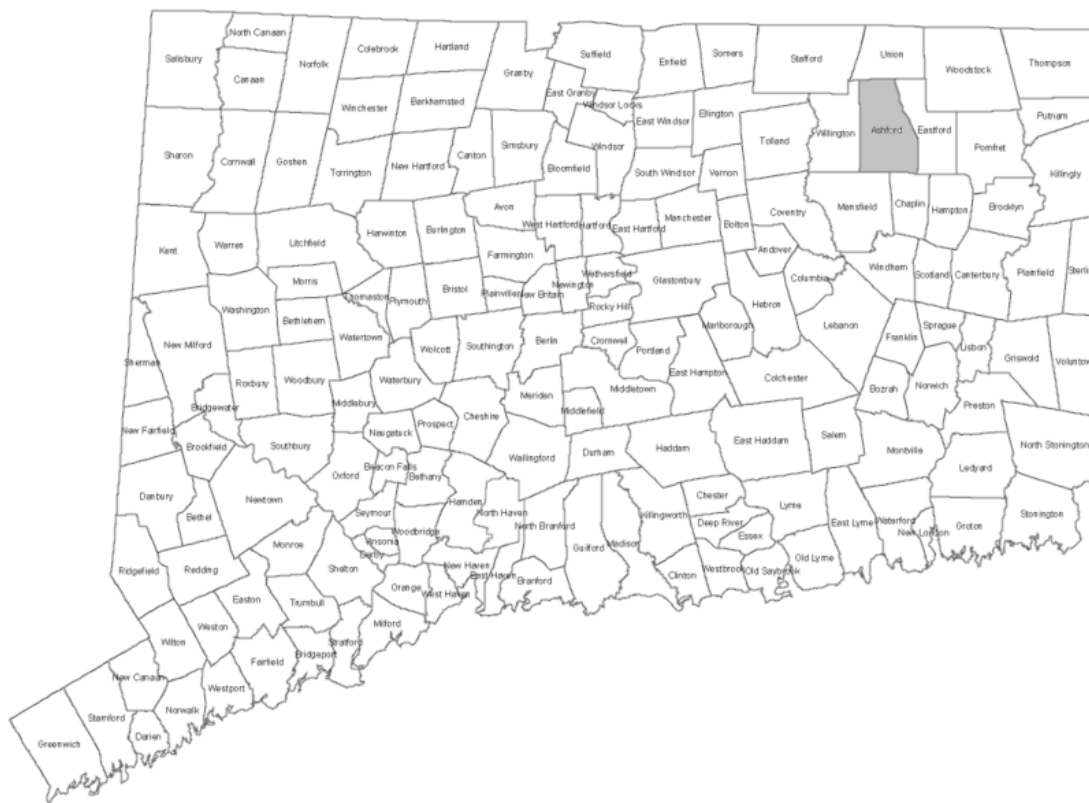
The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached hereto as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events not in excess of ten (10) business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and material event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the Town has not failed to meet, in any material respects, with its previous undertakings under such agreements.

The Town currently retains Munistat Services, Inc. as a dissemination agent to assist the Town with filings required under Rule 15c2-12. Such dissemination agent works with the Town to help ensure that proper information is filed to EMMA as required under the Town's disclosure undertakings.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

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

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

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

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

FORM OF GOVERNMENT

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

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

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

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

MUNICIPAL OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>	<u>Years of Service</u>
Cathryn E. Silver-Smith.....	First Selectman.....	2 Years – Elected	2.0
Alfred W Maccarone, Jr....	Selectman.....	2 Years – Elected	0.6
Tess M Grous.....	Selectman.....	2 Years – Elected	0.6
Sherri Mutch.....	Town Clerk.....	Appointed	12.0
Sherri Soucy.....	Treasurer.....	Appointed	4.0
Daniel Beltran.....	Tax Collector.....	Appointed	0.6
Cynthia Ford.....	Superintendent.....	Appointed	3.0

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

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

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

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

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

Public Education: See “Educational System” herein.

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

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

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

Solid Waste and Refuse Collection: The Town operates a solid waste transfer station and recycling center. Ashford residents bring their refuse and garbage to the transfer station site. Material collected at the site is then hauled to the appropriate disposal facility by haulers contracted by the Town through the Mid Northeast Recycling Organizing Committee. Funding for the disposal of solid waste and recyclable materials is provided through the General Fund. The Town has a contract with Casella Waste to accept Town solid waste effective June 30, 2026 for a tipping fee of \$109.20 per ton plus hauling fee of \$228.80 per haul.

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

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

MUNICIPAL EMPLOYMENT

<u>Fiscal Year</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Government.....	37	27	21	19	20
Board of Education.....	99	98	101	102	97
Total.....	<u>136</u>	<u>125</u>	<u>122</u>	<u>121</u>	<u>117</u>

Source: Town Officials.

MUNICIPAL EMPLOYEES BARGAINING UNITS

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Public Works and Transfer Station.....	AFSCME.....	8	6/30/26 (1)
Town Hall.....	AFSCME.....	2	6/30/26 (1)
<u>BOARD OF EDUCATION</u>			
Certified Staff.....	Ashford Education Association.....	40	6/30/29
Non-certified Employees.....	Non-Certified Employees of the Ashford Board of Education.....	34	6/30/27

(1) In negotiations.

Source: Town of Ashford.

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

EDUCATIONAL FACILITIES

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Last Remodeled</u>	<u>Classrooms</u>	<u>Enrollment 10/1/2025</u>	<u>Rated Capacity</u>
Ashford Elementary.....	Pre-K-8	1950	1992	32	369	600

Source: Town of Ashford, Board of Education.

EDUCATIONAL ENROLLMENT

<u>As of October 1</u>	<u>Pre-K-8</u>	<u>9 - 12 (1)</u>	<u>Total</u>
<i>Historical</i>			
2019	332	182	514
2020	328	176	504
2021	316	196	512
2022	302	186	488
2023	293	172	465
2024	351	178	529
2025	369	177	546
<i>Projected</i>			
2026	339	186	525
2026	339	186	525
2027	325	186	511
2028	310	186	496
2029	286	186	472

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

Source: Town of Ashford, Board of Education.

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III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

<u>Year</u>	<u>Town of Ashford</u>	<u>Northeastern CT Planning Region</u>	<u>State of Connecticut</u>
1990	3,765	n/a	3,287,116
2000	4,098	n/a	3,405,565
2010	4,320	n/a	3,545,837
2020	4,218	n/a	3,570,549
2024	4,226	96,312	3,624,508

Source: U.S. Department of Commerce, Bureau of Census, 2020, 2010, 2000; U.S. Census Bureau, 2020-2024 American Community Survey.

AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	105	2.5	4,315	4.5	181,691	5.0
5 - 9.....	238	5.6	4,919	5.1	195,164	5.4
10 - 14.....	256	6.1	5,131	5.3	214,972	5.9
15 - 19.....	290	6.9	5,232	5.4	239,710	6.6
20 - 24.....	170	4.0	5,005	5.2	238,387	6.6
25 - 34.....	543	12.8	12,255	12.7	454,892	12.6
35 - 44.....	781	18.5	12,404	12.9	460,916	12.7
45 - 54.....	467	11.1	12,590	13.1	453,917	12.5
55 - 59.....	204	4.8	7,602	7.9	256,068	7.1
60 - 64.....	373	8.8	7,825	8.1	258,234	7.1
65 - 74.....	555	13.1	11,498	11.9	386,232	10.7
75 - 84.....	215	5.1	5,308	5.5	196,373	5.4
85 and over.....	29	0.7	2,228	2.3	87,952	2.4
Total	<u>4,226</u>	<u>100.0</u>	<u>96,312</u>	<u>100.0</u>	<u>3,624,508</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

INCOME DISTRIBUTION

	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000	73	5.3	562	2.1	24,004	2.6
\$ 10,000 to 14,999	31	2.3	252	1.0	12,584	1.4
\$ 15,000 to 24,999	0	0.0	639	2.4	27,285	3.0
\$ 25,000 to 34,999	114	8.3	961	3.6	33,429	3.6
\$ 35,000 to 49,999	45	3.3	1,488	5.6	59,826	6.5
\$ 50,000 to 74,999	38	2.8	3,941	15.0	106,611	11.6
\$ 75,000 to 99,999	104	7.6	4,103	15.6	106,893	11.6
\$100,000 to 149,999	292	21.2	6,286	23.9	182,785	19.8
\$150,000 to 199,999	181	13.1	3,786	14.4	131,310	14.3
\$200,000 or more	499	36.2	4,328	16.4	236,661	25.7
Total	<u>1,377</u>	<u>100.0</u>	<u>26,346</u>	<u>100.0</u>	<u>921,388</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

SELECTED WEALTH AND INCOME LEVELS

	Median Family Income			
	(2000)	(2010)	(2020)	(2024)
Town of Ashford.....	\$56,131	\$79,157	\$133,250	\$148,750
Northeastern CT Planning Region.....	N/A	N/A	N/A	107,164
Connecticut.....	65,521	84,170	102,061	122,706
United States.....	49,600	62,982	80,069	99,999

	Per Capita Income			
	(2000)	(2010)	(2020)	(2024)
Town of Ashford.....	\$23,374	\$32,842	\$46,602	\$60,633
Northeastern CT Planning Region.....	N/A	N/A	N/A	47,072
Connecticut.....	28,766	36,775	45,668	55,915
United States.....	21,690	27,334	35,384	44,673

Source: U.S. Department of Commerce, Bureau of Census, 2020, 2010, 2000; U.S. Census Bureau, 2020-2024 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

Educational Attainment Group	Town of Ashford		Northeastern CT Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	26	0.8	1,718	2.4	101,458	4.0
9th to 12th grade.....	26	0.8	3,655	5.1	114,887	4.5
High School graduate.....	1,342	42.4	25,242	35.2	647,192	25.3
Some college - no degree.....	455	14.4	14,878	20.7	410,903	16.1
Associates degree.....	200	6.3	7,506	10.5	195,081	7.6
Bachelor's degree.....	486	15.3	10,316	14.4	595,631	23.3
Graduate or professional degree.....	632	20.0	8,395	11.7	489,432	19.2
Total.....	<u>3,167</u>	<u>100.0</u>	<u>71,710</u>	<u>100.0</u>	<u>2,554,584</u>	<u>100.0</u>

Percent High School Graduate or Higher.....	98.4%	92.5%	91.5%
Percent Bachelor's Degree or Higher.....	35.3%	26.1%	42.5%

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated Number of Employee
Ashford BOE.....	Town Schools.....	99
Hole in the Wall Gang Camp.....	Non-Profit Camp.....	78
Town of Ashford.....	Municipality.....	37
Midway Restaurant.....	Commercial.....	25
Pith Products.....	Manufacturer.....	17
Cumberland Farms.....	Commercial.....	12
North Veterinary Clinic.....	Commercial.....	9

Source: Town Officials.

EMPLOYMENT BY INDUSTRY

	Northeastern CT					
	Town of Ashford		Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	-	0.0	897	1.8	7,132	0.4
Construction.....	198	10.1	3,410	6.8	113,006	6.1
Manufacturing.....	218	11.2	7,376	14.7	198,526	10.7
Wholesale trade.....	13	0.7	628	1.3	35,592	1.9
Retail trade.....	223	11.4	6,297	12.6	192,698	10.4
Transportation & warehousing & utilities.....	60	3.1	3,333	6.7	87,076	4.7
Information.....	46	2.4	838	1.7	37,488	2.0
Finance, insurance, real estate.....	124	6.3	3,307	6.6	161,226	8.7
Professional, scientific & management.....	204	10.4	4,181	8.4	228,229	12.3
Educational, health & social services.....	508	26.0	12,224	24.4	496,559	26.8
Arts, entertainment & recreation.....	181	9.3	3,895	7.8	143,851	7.8
Other professional services.....	54	2.8	1,482	3.0	80,617	4.4
Public administration.....	126	6.4	2,152	4.3	67,864	3.7
Total.....	1,955	100.0	50,020	100.0	1,849,864	100.0

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

EMPLOYMENT DATA

Yearly Average	Percentage Unemployed			
	Town of Ashford	Hartford Labor Market	State of Connecticut	United States
	%	%	%	%
2015	4.7	5.6	5.6	5.3
2016	4.5	4.9	4.8	4.9
2017	4.1	4.4	4.4	4.4
2018	3.7	3.9	3.9	3.9
2019	3.1	3.6	3.6	3.7
2020	6.2	7.8	8.0	8.1
2021	5.0	6.4	6.4	5.4
2022	3.6	4.1	4.1	3.7
2023	3.2	3.7	3.8	3.6
2024	3.1	3.5	3.5	4.0
2025 (1)	4.2	4.0	3.9	4.3

	2026 Monthly			
	Town of Ashford	Putnam-Northeast (2) Labor Market	State of Connecticut	United States
	%	%	%	%
January	6.8	5.9	5.5	4.6
February	6.9	6.2	5.8	4.7
March	6.5	5.7	5.1	4.3
April	5.8	5.4	5.2	4.0

(1) Due to the Federal Government shut down, the annual figure does not include the October employment figures.

(2) The Town is now part of the newly formed Putnam-Northeast labor market.

Source: Department of Labor, State of Connecticut.

NUMBER OF DWELLING UNITS

<u>2024</u>	<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>% Increase 2020-2024</u>	<u>% Increase 2010-2024</u>	<u>% Increase 2000-2024</u>
2,079	1,998	1,869	1,762	4.05%	11.24%	17.99%

Source: U.S. Census Bureau 2020, 2010 and 2000, 2020-2024 American Community Survey.

CHARACTERISTICS OF HOUSING UNITS

<u>Sales Price Category</u>	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	19	1.3	733	2.4	23,262	2.4
\$ 50,000 to \$ 99,999	12	0.8	515	1.7	14,209	1.5
\$ 100,000 to \$149,999	52	3.6	759	2.5	31,134	3.3
\$ 150,000 to \$199,999	64	4.4	2,959	9.7	65,851	6.9
\$ 200,000 to \$299,999	349	24.2	9,637	31.6	205,349	21.5
\$ 300,000 to \$499,999	814	56.5	12,675	41.6	350,277	36.8
\$ 500,000 to \$999,999	118	8.2	2,830	9.3	197,853	20.8
\$1,000,000 and over	13	0.9	345	1.1	65,054	6.8
Total	1,441	100.0	30,453	100.0	952,989	100.0
 Median Value.....	 \$334,800		 \$307,600		 \$366,900	

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

AGE DISTRIBUTION OF HOUSING

<u>Year Built</u>	<u>Town of Ashford</u>		<u>Northeastern CT Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier.....	158	7.6	9,565	22.9	311,584	20.2
1940 - 1949.....	36	1.7	1,495	3.6	96,711	6.3
1950 - 1959.....	204	9.8	3,592	8.6	217,807	14.1
1960 - 1969.....	234	11.3	4,233	10.1	199,847	13.0
1970 - 1979.....	340	16.4	5,865	14.1	210,797	13.7
1980 - 1989.....	360	17.3	6,188	14.8	199,083	12.9
1990 - 1999.....	189	9.1	4,109	9.8	115,803	7.5
2000 - 2009.....	474	22.8	4,805	11.5	109,783	7.1
2010 - 2019.....	56	2.7	1,577	3.8	69,596	4.5
2020 or later.....	28	1.3	307	0.7	10,811	0.7
Total.....	2,079	100.0	41,736	100.0	1,541,822	100.0

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

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NUMBER AND VALUE OF BUILDING PERMITS

<u>Calendar Year</u>	<u>Total</u>	
	<u>Number</u>	<u>Value</u>
2026 (1)	64	\$ 2,894,171
2025	410	10,623,313
2024	346	10,351,059
2023	542	10,601,410
2022	378	8,865,349
2021	368	7,344,402
2020	256	3,782,109
2019	283	5,622,050
2018	219	3,293,027
2017	288	3,634,172
2016	285	2,278,367

(1) As of April 14, 2026.

Source: Building Department, Town of Ashford.

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IV. TAX BASE DATA

ASSESSMENT PRACTICES

The Town of Ashford had a revaluation effective on the Grand List of October 1, 2025. The next revaluation is scheduled for October 1, 2030. Under Section 12-62 of the Connecticut General Statutes, as amended, the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Ashford for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

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

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

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

PROPERTY TAX COLLECTION PROCEDURE

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

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

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the Connecticut General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-66f of the Connecticut General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2025 (the fiscal year ending June 30, 2027) is 27.80 mills.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

FY Ending 6/30	Net Taxable Grand List (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2025
2027 (1)	\$ 498,465,444	27.800	\$ 13,570,216	In Process	In Process	In Process
2026	367,708,795	36.377 (2)	12,980,171	In Process	In Process	In Process
2025	370,263,012	34.364 (2)	12,559,674	98.5	\$ 218,337	\$ 218,337
2024	369,358,089	33.085 (2)	12,270,985	98.5	189,139	115,554
2023 (1)	365,691,095	32.265	11,898,802	99.3	219,957	83,572
2022	308,202,880	36.369	11,329,452	98.3	196,223	58,255
2021	305,594,167	36.836	11,336,963	98.2	206,971	41,510
2020	303,790,134	35.460	10,842,008	98.2	191,518	34,875
2019	301,252,224	34.770	10,264,163	98.2	194,778	37,109
2018 (1)	297,170,266	34.370	10,203,872	97.9	212,605	24,567

(1) Revaluation year.

(2) Mill rate for Motor Vehicles was levied at 32.46 mills.

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

TAXABLE GRAND LIST (1)

Grand List Dated	Real Property %	Personal Property %	Motor Vehicle %	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/25 (2)	86.9	4.9	8.2	\$ 505,423,404	\$ 6,957,960	\$ 498,465,444
10/01/24	83.7	5.5	10.7	373,338,290	5,629,495	367,708,795
10/01/23	83.1	5.0	11.9	375,119,681	4,856,669	370,263,012
10/01/22	83.2	4.4	12.4	373,953,450	4,595,361	369,358,089
10/01/21 (2)	83.7	4.4	11.9	370,204,107	4,513,012	365,691,095
10/01/20	84.0	5.0	11.0	311,769,141	3,566,261	308,202,880
10/01/19	84.2	4.8	11.0	309,857,026	4,262,859	305,594,167
10/01/18	84.7	4.6	10.7	308,006,566	4,216,432	303,790,134
10/01/17	85.3	4.2	10.4	305,593,481	4,341,257	301,252,224
10/01/16 (2)	85.9	3.7	10.4	301,106,496	3,936,230	297,170,266
10/01/15	86.3	3.5	10.2	302,461,798	3,917,102	298,544,696

(1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1 (Includes Board of Assessment Appeals). A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/1/25). The next revaluation is scheduled for 10/1/30.

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

Source: Assessor's Office, Town of Ashford.

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LARGEST TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount</u>	<u>Rank</u>	<u>Percent of Total</u>
Eversource.....	Public Utility.....	\$ 13,017,290	1	2.61
Ashford Hill at 95 LLC.....	Apartments.....	3,916,850	2	0.79
Ben Equities LLC.....	Apartments.....	3,704,750	3	0.74
Comet Equities LLC.....	Apartments.....	2,932,230	4	0.59
PAI Equities LLC.....	Apartments.....	1,997,800	5	0.40
AB Realty LLC.....	Commercial.....	1,797,740	6	0.36
NJV LLC.....	Campground.....	1,503,950	7	0.30
Knowlton Thomas E.....	Farm.....	1,479,680	8	0.30
Set Equities LLC.....	Apartments.....	1,430,730	9	0.29
Mercier Normand & Denise	Farm.....	1,391,670	10	0.28
Total		<u>\$ 33,172,690</u>		<u>6.65</u>

Source: Assessors Office, Town of Ashford.

EQUALIZED NET GRAND LIST

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2024	\$ 756,739,759	0.41%
2023	753,633,559	14.17%
2022	660,102,726	26.03%
2021 (1)	523,776,339	-4.05%
2020	545,880,312	8.70%
2019	502,174,333	4.04%
2018	482,676,223	6.49%
2017	453,251,481	6.29%
2016 (1)	426,435,909	-3.65%
2015	442,599,628	5.16%

(1) Years of revaluation.

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

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V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

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

The reporting model includes the following segments:

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

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

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

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

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

BUDGETARY PROCEDURES

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

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

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

MUNICIPAL BUDGET EXPENDITURE CAP

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

ANNUAL AUDIT

Pursuant to Connecticut law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2025, the examination was conducted by the firm of Hoyt, Filippetti & Malaghan LLC, certified public accountants, of Groton, Connecticut.

EMPLOYEE PENSION SYSTEMS

Defined Contribution Plan

The Town established a single employer defined contribution plan called the Town of Ashford MPP (the "Plan") to provide retirement benefits for all of its full-time employees. Under the provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 7% of employee covered payroll. Plan participants are not required to contribute to the Plan.

The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

Employer contributions totaled \$73,441 for the year ended June 30, 2025.

Connecticut State Teachers' Retirement System

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

For further information on the plans, please refer to Appendix A under the Town of Ashford's "Notes to the Financial Statements, Note 17, herein.

OTHER POST EMPLOYMENT BENEFITS

The Town's Board of Education administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). The OPEB Plan provides healthcare and dental insurance benefits for all eligible Board of Education retirees and spouses through the Board of Education's group healthcare and dental insurance plans. Benefits provisions are established by contract and may be amended by union negotiations each three-year bargaining period. Participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town pays the benefits on a pay-as-you-go-basis.

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability.....	\$ 452,725	\$ 436,324	\$ 440,921	\$ 947,872	\$ 894,977
Plan fiduciary net position.....	-	-	-	-	-
Net OPEB liability.....	<u>\$ 452,725</u>	<u>\$ 436,324</u>	<u>\$ 440,921</u>	<u>\$ 947,872</u>	<u>\$ 894,977</u>
Plan fiduciary net position as a % of total OPEB liability.....	0.00%	0.00%	0.00%	0.00%	0.00%

The following presents the OPEB liability, determined by measurement on June 30, 2025, calculated using the discount rate of 5.30% for the OPEB liability, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>4.30%</u>	<u>5.30%</u>	<u>6.30%</u>
Net Town OPEB Liability.....	\$ 498,970	\$ 452,725	\$ 412,503

The following presents the OPEB liability, determined by measurement on June 30, 2025, calculated using the healthcare trend rates for the OPEB liability, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net Town OPEB Liability.....	\$ 395,767	\$ 452,725	\$ 520,433

For further information on the plans, please refer to Appendix A under the Town of Ashford’s “Notes to Financial Statements, Note 17”, herein.

INVESTMENT POLICIES AND PRACTICES

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

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

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PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a % of General Fund Revenues
2027 (1)	\$ 18,203,834	\$ 13,850,216	76.08
2026 (1)	17,458,125	13,250,171	75.90
2025	18,831,444	12,791,527	67.93
2024	17,860,534	12,378,588	69.31
2023	17,803,412	11,895,297	66.81
2022	16,739,179	11,423,208	68.24
2021	16,616,695	11,361,665	68.37
2020	16,253,529	10,830,452	66.63
2019	16,038,396	10,592,253	66.04
2018	17,993,722	10,213,454	56.76

(1) Adopted budgets.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues	Intergovernmental Revenues	Aid As a % of General Fund Revenue
2027 (1)	\$ 18,203,834	\$ 3,934,249	21.61
2026 (1)	17,458,125	3,559,930	20.39
2025	18,831,444	5,431,326	28.84
2024	17,860,534	5,021,745	28.12
2023	17,803,412	5,184,613	29.12
2022	16,739,179	4,767,411	28.48
2021	16,616,695	4,762,116	28.66
2020	16,253,529	4,914,852	30.24
2019	16,038,396	5,010,930	31.24
2018	17,993,722	4,352,678	24.19

(1) Adopted budgets.

EXPENDITURES

Fiscal Year	Education %	General Government %	Public Works %	Employee Benefits and Insurance %	Debt Service %
2027 (1)	80.79	6.68	6.17	3.66	0.42
2026 (1)	80.76	6.95	6.47	3.65	0.25
2025	77.83	5.93	7.06	2.82	0.23
2024	79.57	5.79	6.15	3.05	0.26
2023	79.54	5.34	6.10	2.79	1.50
2022	78.78	5.70	6.29	2.92	1.55
2021	79.32	5.50	6.17	2.69	1.56
2020	80.35	5.21	5.69	2.55	1.64
2019	79.42	5.24	5.81	2.57	1.70
2018	79.75	5.45	5.72	2.65	1.91

(1) Adopted budgets.

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

	Fiscal Year 2024-25			2025-26 Adopted Budget	2026-27 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
REVENUES					
Property taxes.....	\$ 12,599,805	\$ 12,791,527	\$ 191,722	\$ 13,250,171	\$ 13,850,216
Intergovernmental.....	3,560,597	3,621,232	60,635	3,559,930	3,934,249
Charges for services	177,995	247,517	69,522	164,770	219,369
Interest income.....	130,000	300,980	170,980	150,000	200,000
Other revenues.....	12,795	10,764	(2,031)	333,254	-
TOTAL REVENUES.....	16,481,192	16,972,020	490,828	17,458,125	18,203,834
EXPENDITURES					
Current:					
General government.....	1,110,853	1,063,110	47,743	1,120,404	1,110,182
Public safety.....	32,035	20,064	11,971	31,840	32,398
Public works.....	1,029,091	973,403	55,688	1,042,730	1,026,672
Health & Welfare.....	86,933	78,976	7,957	74,723	74,249
Planning & Development.....	172,627	169,335	3,292	183,130	217,426
Education.....	12,438,373	12,419,868	18,505	13,016,977	13,437,367
Employee benefits.....	482,123	470,057	12,066	536,904	556,323
Insurance.....	36,097	36,097	-	50,647	53,179
Contingency.....	1,744	1,744	-	20,000	54,006
Debt service.....	41,800	41,800	-	40,600	69,717
TOTAL EXPENDITURES.....	15,431,676	15,274,454	157,222	16,117,955	16,631,519
Revenues over expenditures.....	1,049,516	1,697,566	648,050	1,340,170	1,572,315
OTHER FINANCING SOURCES (USES)					
Operating transfers in.....	-	-	-	-	500,000
Operating transfers out.....	(1,133,967)	(1,133,967)	-	(1,340,170)	(2,072,315)
TOTAL OTHER FINANCING SOURCES (USES).....	(1,133,967)	(1,133,967)	-	(1,340,170)	(1,572,315)
Net change in budgetary fund balance.....	\$ (84,451)	\$ 563,599	\$ 648,050	\$ -	\$ -

Source: Audit Report 2025; Adopted Budgets 2026 and 2027.

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

Fiscal Year Ended:	2021	2022	2023	2024	2025
ASSETS					
Cash and cash equivalents.....	\$ 4,334,944	\$ 3,961,718	\$ 4,645,075	\$ 4,696,124	\$ 7,777,600
Restricted cash.....	13,986	14,000	14,009	14,017	14,019
Investments.....	-	-	50,497	52,220	53,476
Receivables net of allowance.....	720,413	727,889	824,457	859,034	983,541
Other.....	460	460	7,085	-	-
Prepaid items.....	-	-	-	-	845
Due from other funds.....	74,847	9,131	22,485	-	57,208
Total Assets.....	\$ 5,144,650	\$ 4,713,198	\$ 5,563,608	\$ 5,621,395	\$ 8,886,689
LIABILITIES					
Accounts payable and accrued tems..	\$ 823,525	\$ 585,190	\$ 845,269	\$ 826,430	\$ 785,733
Unearned revenues.....	-	48,080	1,320	-	-
Performance bonds.....	13,986	14,000	14,009	14,017	45,489
Due to other funds.....	1,449,751	1,047,812	1,089,409	1,063,909	3,709,148
Total Liabilities.....	2,287,262	1,695,082	1,950,007	1,904,356	4,540,370
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	653,980	634,694	745,883	791,656	924,132
Total Deferred Inflows of Resources.....	653,980	634,694	745,883	791,656	924,132
FUND BALANCES					
Restricted.....	-	-	-	373,465	303,592
Committed.....	250,694	341,664	315,019	199,610	221,193
Assigned.....	13,997	-	-	-	-
Unassigned.....	1,938,717	2,071,758	2,552,699	2,352,308	2,897,402
Total Fund Balances.....	2,203,408	2,413,422	2,867,718	2,925,383	3,422,187
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$ 5,144,650	\$ 4,743,198	\$ 5,563,608	\$ 5,621,395	\$ 8,886,689

Source: Audit Reports 2021-2025.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25
Restricted.....	\$ -	\$ -	\$ -	\$ -	\$ 373,465	\$ 303,592
Committed.....	141,840	250,694	341,664	315,019	199,610	221,193
Assigned.....	109,399	13,997	-	-	-	-
Unassigned.....	1,959,623	1,938,717	2,071,758	2,552,699	2,352,308	2,897,402
Total Fund Balance.....	\$ 2,210,862	\$ 2,203,408	\$ 2,413,422	\$ 2,867,718	\$ 2,925,383	\$ 3,422,187
Total Fund Balance as % of						
Total Expenditures & Transfers.....	13.67%	13.25%	14.57%	16.53%	16.43%	18.62%

Source: Audit Reports 2020-2025.

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

Fiscal Year Ended:	2021	2022	2023	2024	2025
Revenues					
Property taxes.....	\$ 11,361,665	\$ 11,423,208	\$ 11,895,297	\$ 12,378,588	\$ 12,791,527
Intergovernmental.....	4,762,116	4,767,411	5,184,613	5,021,745	5,431,326
Local revenue.....	437,262	492,385	518,612	251,590	289,903
Interest income.....	9,590	17,076	170,493	207,315	302,235
Other.....	46,062	39,099	34,397	1,296	16,453
Total Revenues.....	16,616,695	16,739,179	17,803,412	17,860,534	18,831,444
Expenditures					
General government.....	884,572	920,651	892,099	967,918	1,064,854
Public safety.....	354,562	350,940	402,908	469,502	671,179
Public works.....	992,632	1,016,052	1,019,066	1,027,263	1,268,132
Health and welfare.....	49,303	51,799	53,022	54,796	53,676
Planning and development.....	167,692	161,366	170,735	160,254	194,635
Education.....	12,755,373	12,724,165	13,278,394	13,300,714	13,977,506
Library.....	194,256	171,647	159,486	182,055	180,474
Employee benefits and insurance...	431,817	471,721	466,572	510,193	506,154
Debt service.....	250,775	250,706	250,898	43,000	41,800
Capital outlay.....	-	32,223	-	-	-
Total Expenditures.....	16,080,982	16,151,270	16,693,180	16,715,695	17,958,410
Revenues over expenditures.....	535,713	587,909	1,110,232	1,144,839	873,034
Other Financing Sources (Uses)					
Transfer in.....	-	-	-	-	45,988
Transfer out.....	(543,167)	(410,118)	(655,936)	(1,087,174)	(422,218)
Lease liabilities issued.....	-	32,223	-	-	-
Total Other Financing Sources					
(Uses).....	(543,167)	(377,895)	(655,936)	(1,087,174)	(376,230)
Net change in fund balances.....	(7,454)	210,014	454,296	57,665	496,804
Fund Balance - July 1.....	2,210,862	2,203,408	2,413,422	2,867,718	2,925,383
Fund Balance - June 30.....	<u>\$ 2,203,408</u>	<u>\$ 2,413,422</u>	<u>\$ 2,867,718</u>	<u>\$ 2,925,383</u>	<u>\$ 3,422,187</u>

Source: Audit Reports 2021-2025.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of July 21, 2026

(Pro Forma)

Long-Term Debt: Bonds

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 7/21/2026</u>	<u>Fiscal Year Final Maturity</u>
<u>General Purpose</u>					
4/16/2013	Refunding - General Purpose	2.00 - 4.00	\$ 2,640,000	\$ 250,000	2033
			\$ 2,640,000	\$ 250,000	
<u>Schools</u>					
7/21/2026	Schools (This Issue).....	TBD	\$ 1,600,000	\$ 1,600,000	2042
			1,600,000	1,600,000	
	Total		\$ 4,240,000	\$ 1,850,000	

Other Long-Term Commitments:

Leases Payable:

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

<u>Fiscal Year June 30:</u>	<u>Principal Only</u>
2027	\$ 3,983
Total Leases.....	\$ 3,983

SCHOOL BUILDING GRANT REIMBURSEMENTS

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

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

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

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

SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY

As of July 21, 2026

(Pro Forma)

Fiscal Year	Principal Payments	Interest Payments	Total Debt Service	The Bonds Principal Payments	All Issues Principal (1,2)
2027	\$ 30,000	\$ 9,400	\$ 39,400	\$ -	\$ 30,000
2028	35,000	8,100	43,100	105,000	140,000
2029	35,000	6,700	41,700	105,000	140,000
2030	35,000	5,300	40,300	105,000	140,000
2031	35,000	3,900	38,900	105,000	140,000
2032	40,000	2,400	42,400	105,000	145,000
2033	40,000	800	40,800	105,000	145,000
2034	-	-	-	105,000	105,000
2035	-	-	-	105,000	105,000
2036	-	-	-	105,000	105,000
2037	-	-	-	105,000	105,000
2038	-	-	-	110,000	110,000
2039	-	-	-	110,000	110,000
2040	-	-	-	110,000	110,000
2041	-	-	-	110,000	110,000
2042	-	-	-	110,000	110,000
	<u>\$ 250,000</u>	<u>\$ 36,600</u>	<u>\$ 286,600</u>	<u>\$ 1,600,000</u>	<u>\$ 1,850,000</u>

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

OVERLAPPING AND UNDERLYING INDEBTEDNESS

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

Amount of Outstanding Debt (1)	Applicable % of Net Debt Charged to Town	Town Net Overlapping Debt (1)
\$ 1,015,000	19.910%	\$ 202,087

(1) As of July 21, 2026.

The Town has no underlying debt.

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DEBT STATEMENT
As of July 21, 2026 (Pro Forma)

Long-Term Indebtedness (1)	
The Bonds (This Issue).....	\$ 1,600,000
General Purpose.....	250,000
Schools.....	-
Total Long-Term Indebtedness.....	<u>1,850,000</u>
Short-Term Indebtedness	
Notes Payable.....	-
Total Direct Indebtedness	1,850,000
Exclusions: (School building grants receivable).....	<u>-</u>
Total Net Direct Indebtedness.....	1,850,000
Total Underlying and Net Overlapping Indebtedness (2).....	<u>202,087</u>
Total Net Direct and Net Overlapping Indebtedness.....	<u>\$ 2,052,087</u>

- (1) Does not include authorized but unissued debt in the amount of \$1,000,000. See "Authorized but Unissued Debt" herein.
- (2) Represents the Town's share of Regional School District Number 19 Net Direct Indebtedness. The percentage of participation for the 2026-27 Fiscal Year was 19.91%.

CURRENT DEBT RATIOS
As of July 21, 2026 (Pro Forma)

Total Direct Indebtedness.....	\$ 1,850,000
Total Net Direct Indebtedness.....	\$ 1,850,000
Total Net Direct and Net Overlapping Indebtedness.....	\$ 2,052,087
Population (1).....	4,226
Net Taxable Grand List (10/1/24).....	\$ 367,708,795
Estimated Full Value.....	\$ 525,298,279
Equalized Net Taxable Grand List (2022) (2).....	\$ 756,739,759
Per Capita Income (1).....	\$ 60,633
Total Direct Indebtedness:	
Per Capita.....	\$437.77
To Net Taxable Grand List.....	0.50%
To Estimated Full Value.....	0.35%
To Equalized Net Taxable Grand List.....	0.24%
Per Capita to Per Capita Income.....	0.72%
Total Net Direct Indebtedness:	
Per Capita.....	\$437.77
To Net Taxable Grand List.....	0.50%
To Estimated Full Value.....	0.35%
To Equalized Net Taxable Grand List.....	0.24%
Per Capita to Per Capita Income.....	0.72%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita.....	\$485.59
To Net Taxable Grand List.....	0.56%
To Estimated Full Value.....	0.39%
To Equalized Net Taxable Grand List.....	0.27%
Per Capita to Per Capita Income.....	0.80%

- (1) U.S. Census Bureau, 2020-2024 American Community Survey.
- (2) Office of Policy and Management, State of Connecticut.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

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

TEMPORARY FINANCING

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

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

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

LIMITATION OF INDEBTEDNESS

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

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

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

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

STATEMENT OF STATUTORY DEBT LIMITATION

As of July 21, 2026

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2025 (including interest and lien fees)	\$ 12,826,641
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	<u>-</u>
Base for Establishing Debt Limit	<u>\$ 12,826,641</u>

<u>Debt Limitation</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 28,859,942					
(4.50 times base).....		\$ 57,719,885				
(3.75 times base).....			\$ 48,099,904			
(3.25 times base).....				\$ 41,686,583		
(3.00 times base).....					\$ 38,479,923	
(7.00 times base).....						\$ 89,786,487
Indebtedness (Including the Bonds)						
Bonds Payable.....	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
The Bonds (This Issue).....	-	1,600,000	-	-	-	1,600,000
Overlapping and Underlying Debt (1).....	-	202,087	-	-	-	202,087
Authorized but Unissued Debt.....	-	1,000,000	-	-	-	1,000,000
Total Indebtedness.....	250,000	2,802,087	-	-	-	3,052,087
Less:						
School grants receivable (2)....	-	-	-	-	-	-
Total Net Indebtedness.....	250,000	2,802,087	-	-	-	3,052,087
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$ 28,609,942</u>	<u>\$ 54,917,798</u>	<u>\$ 48,099,904</u>	<u>\$ 41,686,583</u>	<u>\$ 38,479,923</u>	<u>\$ 86,734,401</u>

- (1) Represents the Town's share of Regional School District Number 19 Net Direct Indebtedness. The percentage of participation for the 2026-27 Fiscal Year was 19.91%.
- (2) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$2,614,400 during the construction of the project. As of July 21, 2026, the Town has received \$1,739,708 progress payments. (See "School Projects" and "Authorized but Unissued Debt" herein).

AUTHORIZED BUT UNISSUED DEBT

As of July 21, 2026

(Pro Forma)

<u>Projects</u>	<u>Amount Authorized</u>	<u>Notes Maturing July 22, 2025</u>	<u>Paydowns/ Grants</u>	<u>The Bonds (This Issue)</u>	<u>Authorized But Unissued</u>
Ashford School Roof Replacement Project	\$ 5,000,000	\$ 4,000,000	\$2,400,000	(1) \$ 1,600,000	\$ 1,000,000 (2)

- (1) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$2,614,400 during the construction of the project. As of July 21, 2026, the Town has received \$1,739,708 in progress payments and has also paid down \$660,292 of its notes with Town funds. (See "School Projects" herein).
- (2) The Town does not expect to borrow any additional debt for this project.

Source: Town of Ashford, Finance Office.

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HISTORICAL DEBT STATEMENT
Fiscal Years Ending June 30

	<u>2025-26 (1)</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Population (2).....	4,226	4,226	4,226	4,226	4,226
Net taxable grand list.....	\$ 367,708,795	\$ 370,263,012	\$ 369,358,089	\$ 365,691,095	\$ 308,202,880
Estimated full value.....	\$ 525,298,279	\$ 528,947,160	\$ 527,654,413	\$ 522,415,850	\$ 440,289,829
Equalized net taxable grand list (3).....	\$ 756,739,759	\$ 753,633,559	\$ 660,102,726	\$ 523,776,339	\$ 545,880,312
Per capita income (2).....	\$ 60,633	\$ 60,633	\$ 60,633	\$ 60,633	\$ 60,633
Short-term debt - Financing Notes.....	\$ 1,600,000	\$ 4,078,175	\$ 184,184	\$ 288,352	\$ 390,747
Long-term debt.....	\$ 250,000	\$ 280,000	\$ 310,000	\$ 340,000	\$ 560,000
Total Direct Indebtedness.....	\$ 1,850,000	\$ 4,358,175	\$ 494,184	\$ 628,352	\$ 950,747
Net Direct Indebtedness.....	\$ 1,850,000	\$ 4,358,175	\$ 494,184	\$ 628,352	\$ 950,747
Net Overlapping Indebtedness.....	\$ 199,549	\$ 229,463	\$ 267,284	\$ 299,825	\$ 1,376,474
Total Net Direct and Net Overlapping Indebtedness.....	<u>\$ 2,049,549</u>	<u>\$ 4,587,638</u>	<u>\$ 761,468</u>	<u>\$ 928,177</u>	<u>\$ 2,327,221</u>

(1) Unaudited Estimates.

(2) U.S. Census Bureau, 2020-2024 American Community Survey.

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

Source: Annual Audited Financial Statements 2022-2025.

HISTORICAL DEBT RATIOS
Fiscal Year Ending June 30

	<u>2025-26 (1)</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Total Direct Indebtedness:					
Per capita.....	\$437.77	\$1,031.28	\$116.94	\$148.69	\$224.98
To net taxable grand list.....	0.50%	1.18%	0.13%	0.17%	0.31%
To estimated full value.....	0.35%	0.82%	0.09%	0.12%	0.22%
To equalized net taxable grand list.....	0.24%	0.58%	0.07%	0.12%	0.17%
Debt per capita to per capita income.....	0.72%	1.70%	0.19%	0.25%	0.37%
Net Direct Indebtedness:					
Per capita.....	\$437.77	\$1,031.28	\$116.94	\$148.69	\$224.98
To net taxable grand list.....	0.50%	1.18%	0.13%	0.17%	0.31%
To estimated full value.....	0.35%	0.82%	0.09%	0.12%	0.22%
To equalized net taxable grand list.....	0.24%	0.58%	0.07%	0.12%	0.17%
Debt per capita to per capita income.....	0.72%	1.70%	0.19%	0.25%	0.37%
Net Direct and Net Overlapping Indebtedness:					
Per capita.....	\$484.99	\$1,085.57	\$180.19	\$219.63	\$550.69
To net taxable grand list.....	0.56%	1.24%	0.21%	0.25%	0.76%
To estimated full value.....	0.39%	0.87%	0.14%	0.18%	0.53%
To equalized net taxable grand list.....	0.27%	0.61%	0.12%	0.18%	0.43%
Debt per capita to per capita income.....	0.80%	1.79%	0.30%	0.36%	0.91%

(1) Unaudited Estimates.

Source: Annual Audited Financial Statements 2022-2025.

RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES AND TRANSFERS OUT

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures and Transfers out	Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %
2027 (1)	\$ 69,717	\$ 18,703,834	0.37%
2026 (1)	40,600	17,458,125	0.23%
2025	41,800	18,380,628	0.23%
2024	43,000	17,802,869	0.24%
2023	250,898	17,349,116	1.45%
2022	250,706	16,561,388	1.51%
2021	250,775	16,624,149	1.51%
2020	258,650	16,169,150	1.60%
2019	266,525	15,968,231	1.67%
2018	278,350	15,072,858	1.85%

(1) Adopted Budgets.

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

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

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Upon delivery of the Bonds, the winning bidder will be furnished with the following:

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

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

CONCLUDING STATEMENT

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

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

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

TOWN OF ASHFORD, CONNECTICUT

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

By: _____
Sherri Soucy, *Treasurer*

Dated as of July __, 2026

APPENDIX A - FINANCIAL STATEMENTS

TOWN OF ASHFORD, CONNECTICUT

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Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town of Ashford for the Fiscal Year ending June 30, 2025 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Treasurer, Town of Ashford, Connecticut.

INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Ashford, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ashford, Connecticut (the "Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, during the year ended June 30, 2025, the Town adopted GASB Statement No. 101, *Compensated Absences*. As a result of the implementation of the standard, the Town reported a restatement for the change in accounting principle. Our auditors' opinion was not modified with respect to the restatement.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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 management's discussion and analysis (pages 4-11), budgetary comparison information (pages 55-63), The Connecticut Teachers Retirement System schedule (page 64), and other post-employment benefit schedules (pages 65-66), 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's basic financial statements. The combining financial statements, supplementary schedule, Report of the Property Tax Collector, and the Schedule of Expenditures of State Financial Assistance as required by the Connecticut Single Audit Act are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, supplementary schedule, Report of the Property Tax Collector, and the Schedule of Expenditures of State Financial Assistance 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 December 18, 2025, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

Hoyt, Filippetti & Malashan, LLC

Groton, Connecticut

December 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF ASHFORD, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Our discussion and analysis of Town of Ashford, Connecticut's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Town's financial statements, which begin with the Government Wide Statement of Net Position on page 12.

FINANCIAL HIGHLIGHTS

The following are the Town's significant financial highlights for the year ended June 30, 2025:

- Total net position *increased* by \$714,805 from operations.
- Total fund balance *increased* by \$4,842,038. This is net of a \$496,804 *increase* in the General Fund, a \$4,385,508 *increase* in the Capital Nonrecurring Fund, a \$5,391 *decrease* in the Small Cities Grant Program Fund and an overall \$34,883 *decrease* in total Nonmajor Governmental Funds.
- At June 30, 2025, the General Fund's unassigned fund balance of \$2,897,402 is approximately 84.67% of that fund's total fund balance of \$3,422,187 and 17.66% of total actual General Fund budgetary expenditures of \$16,408,421.
- The Town had a final fiscal-year 2025 expenditure budget totaling \$16,565,643 (including additional appropriations of \$84,451). Total revenues came in \$490,828 *ahead* of budget. Total expenditures came in \$157,222 *under* budget.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start with the Governmental Funds Balance Sheet. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town government.

TOWN OF ASHFORD, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Reporting the Town as a Whole

Our analysis of the Town as a whole begins with the Statement of Net Position (Table 1). One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities (Table 2) report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's *net position* and changes in them. You can think of the Town's net position—the difference between assets and liabilities—as one way to measure the Town's financial health, or *financial position*. Over time, *increases* or *decreases* in the Town's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the *overall health* of the Town. In the Statement of Net Position and the Statement of Activities, the Town shows the following activity:

- Governmental activities—The Town's basic services are reported here, including education, public works, public safety and general government. Property taxes, state and federal grants and local revenues such as fees and licenses finance most of these activities.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins in the section titled "The Town's Funds". The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Finance establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's uses governmental funds to report on all its funds:

- *Governmental funds*—The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.

**TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

The Town as a Whole – Governmental Activities – Statement of Net Position

Presented below are condensed versions of the statement of net position and the statement of activities. The 2024 statements have been restated to reflect the adoption of GASB 101, *Compensated Absences*, as described further in *Note 16* to the financial statements.

Table 1 - Net Position

	Governmental Activities		Increase (Decrease)
	2025	2024	
Current and other assets	\$ 10,374,664	\$ 8,849,613	\$ 1,525,051
Capital assets, net	18,434,767	17,115,425	1,319,342
Deferred outflows of resources	8,804	10,075	(1,271)
Total assets and deferred outflows of resources	<u>\$ 28,818,235</u>	<u>\$ 25,975,113</u>	<u>\$ 2,843,122</u>
Other liabilities	\$ 1,238,442	\$ 2,953,026	\$ (1,714,584)
Long-term debt outstanding	<u>5,144,247</u>	<u>1,301,346</u>	<u>3,842,901</u>
Total liabilities	<u>6,382,689</u>	<u>4,254,372</u>	<u>2,128,317</u>
Net position			
Net investment in capital assets	16,405,968	16,528,490	(122,522)
Restricted - nonexpendable	81,000	81,000	-
Restricted - expendable	1,660,748	1,705,127	(44,379)
Unrestricted	<u>4,287,830</u>	<u>3,406,124</u>	<u>881,706</u>
Total net position	<u>22,435,546</u>	<u>21,720,741</u>	<u>714,805</u>
Total liabilities and net position	<u>\$ 28,818,235</u>	<u>\$ 25,975,113</u>	<u>\$ 2,843,122</u>

As indicated in Table 2 – Change in Net Position, the net position of the Town’s Governmental Activities *increased* \$714,805 from operations from a year ago. Current and other assets in Governmental Activities *increased* \$1,525,051 from the prior year, primarily due to an increase in cash on hand as a result of the Town’s \$4,000,000 in borrowings during the year. Capital assets, net *increased* by \$1,319,342 primarily due to the continued capitalization of school roofing costs as construction in process. Long-term debt outstanding in Governmental Activities *increased* \$3,842,901 primarily from the \$4,000,000 in borrowings previously mentioned.

**TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

The Town as a Whole – Combined Statement of Activities

Table 2 - Change in Net Position

	Governmental Activities		Increase (Decrease)
	2025	2024	
Revenues			
Program revenues			
Charges for services	\$ 421,540	\$ 439,999	\$ (18,459)
Operating grants and contributions	6,050,054	6,050,187	(133)
Capital grants and contributions	1,008,071	1,465,448	(457,377)
General revenues:			
Property taxes, interest, and liens	12,924,003	12,424,361	499,642
Unrestricted grants and contributions	137,509	24,281	113,228
Unrestricted interest and investment earnings	307,299	210,076	97,223
Other	-	-	-
Total revenues	<u>20,848,476</u>	<u>20,614,352</u>	<u>234,124</u>
Program expenses			
General government	1,845,567	1,991,744	(146,177)
Public safety	766,086	561,352	204,734
Public works	1,547,267	1,387,884	159,383
Health and welfare	148,121	145,486	2,635
Planning and development	200,026	272,712	(72,686)
Education	15,125,860	14,413,775	712,085
Library	185,473	187,054	(1,581)
Recreation	150,988	152,736	(1,748)
Interest on long-term debt	164,283	10,571	153,712
Total expenses	<u>20,133,671</u>	<u>19,123,314</u>	<u>1,010,357</u>
Change in net position	714,805	1,491,038	(776,233)
Net position, beginning of year	<u>21,720,741</u>	<u>20,229,703</u>	<u>1,491,038</u>
Net position, end of year	<u>\$ 22,435,546</u>	<u>\$ 21,720,741</u>	<u>\$ 714,805</u>

As mentioned earlier, the Town's net position *increased* by \$714,805 from the prior year. As with 2024, a primary factor in the increase in net position was the school roof replacement project. For the year ended June 30, 2025, the Town incurred costs relating to this project totaling approximately \$1,300,000, all of which were capitalized as construction in process.

Governmental Activities – Total and Net Cost of Activities

The schedule below presents the cost of each of the Town's governmental programs as well as each governmental program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions:

**TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Governmental Activities – Total and Net Cost of Activities (Continued)

Table 3 - Total and Net Cost of Services

	Total Cost of Services	Net Cost (Revenue) of Services
Governmental Activities		
General government	\$ 1,845,567	\$ 1,365,362
Public safety	766,086	760,884
Public works	1,547,267	1,167,625
Health and welfare	148,121	116,951
Planning and development	200,026	72,950
Education	15,125,860	8,712,891
Library	185,473	179,671
Recreation	150,988	113,389
Interest on long-term debt	164,283	164,283
Totals	<u>\$ 20,133,671</u>	<u>\$ 12,654,006</u>

As previously mentioned, the Town borrowed \$4,000,000 in connection with the school roof replacement project. As a result, interest had accrued on those borrowings as of June 30, 2025 and accounts for the majority of the \$164,283 of interest expense recognized for the fiscal year.

As with previous years, the net cost of Education is significantly lower than the gross cost because of the annual Education Cost Sharing grant from the State of Connecticut. This grant was approximately \$3.4 million for the year ended June 30, 2025.

THE TOWN'S FUNDS

While the year showed a \$714,805 *increase* in net position from operations, it also showed a \$4,842,038 *increase* in total fund balance in the governmental funds as presented in governmental funds financial statements. The difference in the amounts is primarily from the treatment of long-term debt and capital assets, as well as deferred inflows. In the fund financial statements, debt issuances are treated as an increase in fund balance and principal payments on long-term debt are a reduction in fund balance when the payments on the debt are made. Debt payments are never a direct reduction in net position on the government-wide statements. Likewise, purchases of capital assets are reduction in fund balance when the purchase is made. Capital asset purchases are never a direct reduction in net position on the government-wide statements.

The significant *increase* in fund balance is due to the \$4,000,000 of borrowings in the Capital Projects fund which increases the fund balance in the governmental funds financial statements, but is reported as a long-term liability in the government-wide statement of net position.

**TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

General Fund Budgetary Highlights

Over the course of the year, the Board of Finance can revise the Town's budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. The Board of Finance is allowed by State Statute to make one additional appropriation up to \$20,000 per line item or department. A second additional appropriation or an appropriation over \$20,000 requires a Town Meeting. Transfers do not increase the total budget, but instead pull appropriations for one department that needs additional funding from other departments that might have excess funding. State Statutes allow these transfers to be made by the Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund:

Table 4 - General Fund - Budget Summary - Budgetary Basis

	Final Budget	Actual	Variance
Revenues			
Property Taxes	\$ 12,599,805	\$ 12,791,527	\$ 191,722
State of Connecticut	3,560,597	3,621,232	60,635
Other Revenues	320,790	559,261	238,471
Total Revenues	<u>16,481,192</u>	<u>16,972,020</u>	<u>490,828</u>
Expenditures			
General Government	1,110,853	1,063,110	47,743
Public Safety	32,035	20,064	11,971
Public Works	1,029,091	973,403	55,688
Civil and Cultural	86,933	78,976	7,957
Planning and Zoning	172,627	169,335	3,292
Education	12,438,373	12,419,868	18,505
Benefits and Insurance	518,220	506,154	12,066
Debt and Sundry	43,544	43,544	-
Capital Outlay	1,133,967	1,133,967	-
Total Expenditures	<u>16,565,643</u>	<u>16,408,421</u>	<u>157,222</u>
Increase (Decrease) in Fund Balance	<u>\$ (84,451)</u>	<u>\$ 563,599</u>	<u>\$ 648,050</u>

Better than expected revenues and lower spending changed a budgeted *decrease* in fund balance, (budgetary basis), of \$84,451 to an *increase* of \$563,599.

Additional appropriations made during the fiscal year ended June 30, 2025 totaled \$84,451, all of which were transfers to the Capital Nonrecurring fund.

**TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Town had \$28,867,543 invested in government activity capital assets as shown in Table 5:

Table 5 - Capital Assets

	Governmental Activities
Land and land development rights	\$ 1,612,327
Construction in progress	3,075,468
Buildings and improvements	15,253,948
Machinery, equipment, and vehicles	5,819,477
Infrastructure	3,035,949
Right of use equipment	70,374
Totals	\$ 28,867,543

This amount represents a net *increase* (including additions and deductions) of \$1,967,921 from last year. The significant capital additions for the year included construction in process for a new school roof, firehouse roof, and vehicles. More detailed information about the Town's capital assets is presented in the notes to the financial statements.

Debt

At year end, the Town had \$5,144,247 in long-term liabilities outstanding as shown in Table 6:

Table 6 - Long-term Liabilities

	Governmental Activities
General obligation bonds	\$ 4,280,000
Unamortized bond premium	70,215
Equipment financing notes	78,175
Leases payable	15,969
Compensated absences	247,163
OPEB obligation	452,725
Totals	\$ 5,144,247

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

**TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At a referendum held on April 22, 2025, the Town approved a total budget for fiscal year 2025-2026 of \$18,546,834 using a mil rate of 36.377 for real estate and personal property and 32.46 for motor vehicles. The total budget consists of \$4,141,148 for general government, \$1,388,709 for capital improvements, \$4,163,113 for Regional School District No. 19, and \$8,853,864 for elementary school education.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Finance at the Town of Ashford, Connecticut, 5 Town Hall Road, Ashford, CT 06278.

BASIC FINANCIAL STATEMENTS

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and cash equivalents	\$	7,980,158
Restricted cash		14,019
Certificates of deposit		128,476
Receivables, net		2,237,073
Prepaid expenses		4,405
Inventories		10,533
Capital assets		
Non-depreciable		4,687,795
Depreciable, net		13,746,972
Total assets		28,809,431
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		8,804
Total deferred outflows of resources		8,804
Total assets and deferred outflows of resources	\$	28,818,235

LIABILITIES AND NET POSITION

LIABILITIES		
Accounts payable and accrued items	\$	941,892
Accrued interest payable		160,033
Unearned revenue		91,028
Performance bonds		45,489
Noncurrent liabilities		
Due within one year		4,390,546
Due in more than one year		753,701
Total liabilities		6,382,689
NET POSITION		
Invested in capital assets, net of related debt		16,405,968
Restricted - nonexpendable		81,000
Restricted - expendable		1,660,748
Unrestricted		4,287,830
Total net position		22,435,546
Total liabilities and net position	\$	28,818,235

The accompanying notes are an integral part of these financial statements

**TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Functions / Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
GOVERNMENTAL ACTIVITIES					
General government	\$ (1,845,567)	\$ 111,870	\$ 368,335	\$ -	\$ (1,365,362)
Public safety	(766,086)	5,202	-	-	(760,884)
Public works	(1,547,267)	11,506	-	368,136	(1,167,625)
Health and welfare	(148,121)	4,698	26,472	-	(116,951)
Planning and development	(200,026)	127,076	-	-	(72,950)
Education	(15,125,860)	117,787	5,655,247	639,935	(8,712,891)
Library	(185,473)	5,802	-	-	(179,671)
Recreation	(150,988)	37,599	-	-	(113,389)
Interest on long-term debt	(164,283)	-	-	-	(164,283)
Total governmental activities	<u>\$ (20,133,671)</u>	<u>\$ 421,540</u>	<u>\$ 6,050,054</u>	<u>\$ 1,008,071</u>	<u>(12,654,006)</u>
GENERAL REVENUES					
Property taxes, interest, and liens					12,924,003
Unrestricted grants and contributions					137,509
Unrestricted interest and investment earnings					307,299
Total general revenues					<u>13,368,811</u>
Change in net position					714,805
NET POSITION, beginning of year					<u>21,961,686</u>
ADJUSTMENT (Note 16)					<u>(240,945)</u>
NET POSITION, beginning of year, as restated					21,720,741
NET POSITION, end of year					<u>\$ 22,435,546</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF ASHFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

ASSETS						
	<u>GENERAL FUND</u>	<u>CAPITAL NONRECURRING FUND</u>	<u>SMALL CITIES GRANT PROGRAM FUND</u>	<u>ARPA GRANT FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS						
Cash and cash equivalents	\$ 7,777,600	\$ -	\$ 50,602	\$ -	\$ 151,956	\$ 7,980,158
Restricted cash	14,019	-	-	-	-	14,019
Certificates of deposit	53,476	-	-	-	75,000	128,476
Receivables, net	983,541	-	1,133,335	-	120,197	2,237,073
Due from other funds	57,208	3,456,129	-	67,366	185,653	3,766,356
Prepaid expenditures	845	-	-	-	3,560	4,405
Inventories	-	-	-	-	10,533	10,533
Total assets	<u>\$ 8,886,689</u>	<u>\$ 3,456,129</u>	<u>\$ 1,183,937</u>	<u>\$ 67,366</u>	<u>\$ 546,899</u>	<u>\$ 14,141,020</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued items	\$ 785,733	\$ 77,908	\$ -	\$ 145	\$ 78,106	\$ 941,892
Unearned revenue	-	-	-	67,221	23,807	91,028
Performance bonds	45,489	-	-	-	-	45,489
Due to other funds	3,709,148	-	-	-	57,208	3,766,356
Total liabilities	<u>4,540,370</u>	<u>77,908</u>	<u>-</u>	<u>67,366</u>	<u>159,121</u>	<u>4,844,765</u>
DEFERRED INFLOWS OF RESOURCES						
Revenue - unavailable	924,132	-	-	-	-	924,132
Total deferred inflows of resources	<u>924,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>924,132</u>
Total liabilities and deferred inflows of resources	<u>5,464,502</u>	<u>77,908</u>	<u>-</u>	<u>67,366</u>	<u>159,121</u>	<u>5,768,897</u>
FUND BALANCES						
Nonspendable	-	-	1,133,335	-	95,093	1,228,428
Restricted	303,592	-	50,602	-	173,219	527,413
Committed	221,193	3,056,379	-	-	-	3,277,572
Assigned	-	321,842	-	-	119,466	441,308
Unassigned	2,897,402	-	-	-	-	2,897,402
Total fund balances	<u>3,422,187</u>	<u>3,378,221</u>	<u>1,183,937</u>	<u>-</u>	<u>387,778</u>	<u>8,372,123</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,886,689</u>	<u>\$ 3,456,129</u>	<u>\$ 1,183,937</u>	<u>\$ 67,366</u>	<u>\$ 546,899</u>	<u>\$ 14,141,020</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF ASHFORD, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total fund balances for governmental funds		\$ 8,372,123
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		18,434,767
Other assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.		
Deferred outflows - deferred charge on refunding		8,804
Deferred inflows of resources - unavailable revenues		924,132
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position:		
General obligation bonds	(4,280,000)	
Unamortized bond premium	(70,215)	
Accrued interest	(160,033)	
Equipment financing notes	(78,175)	
Leases payable	(15,969)	
Compensated absences	(247,163)	
Other post employment benefits liability	(452,725)	
		(5,304,280)
Net position of governmental activities		<u>\$ 22,435,546</u>

The accompanying notes are an integral part of these financial statements

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND	CAPITAL NONRECURRING FUND	SMALL CITIES GRANT PROGRAM FUND	ARPA GRANT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES						
Property taxes, interest, and lien fees	\$12,791,527	\$ -		\$ -	\$ -	\$12,791,527
Intergovernmental revenues	5,431,326	2,292,838	-	206,294	768,096	8,698,554
Local revenue	289,903	-	-	-	191,762	481,665
Investment income	302,235	5	-	-	5,057	307,297
Miscellaneous revenue	16,453	-	-	-	-	16,453
Total revenues	<u>18,831,444</u>	<u>2,292,843</u>	<u>-</u>	<u>206,294</u>	<u>964,915</u>	<u>22,295,496</u>
EXPENDITURES						
Current						
General government	1,064,854	-	-	125,631	3,412	1,193,897
Public safety	671,179	-	-	-	32,599	703,778
Public works	1,268,132	-	-	-	-	1,268,132
Health and welfare	53,676	-	2,016	-	94,445	150,137
Planning and development	194,635	-	3,375	-	-	198,010
Education	13,977,506	-	-	-	935,094	14,912,600
Library	180,474	-	-	-	-	180,474
Recreation	-	-	-	-	137,649	137,649
Employee benefits and insurance	506,154	-	-	-	-	506,154
Debt service						
Principal	30,000	106,009	-	-	-	136,009
Interest and fiscal charges	11,800	3,492	-	-	-	15,292
Capital outlay	-	1,986,223	-	80,663	-	2,066,886
Total expenditures	<u>17,958,410</u>	<u>2,095,724</u>	<u>5,391</u>	<u>206,294</u>	<u>1,203,199</u>	<u>21,469,018</u>
Excess (deficiency) of revenues over expenditures	<u>873,034</u>	<u>197,119</u>	<u>(5,391)</u>	<u>-</u>	<u>(238,284)</u>	<u>826,478</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issuance	-	4,015,560	-	-	-	4,015,560
Transfers in	45,988	218,817	-	-	203,401	468,206
Transfers out	(422,218)	(45,988)	-	-	-	(468,206)
	<u>(376,230)</u>	<u>4,188,389</u>	<u>-</u>	<u>-</u>	<u>203,401</u>	<u>4,015,560</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>496,804</u>	<u>4,385,508</u>	<u>(5,391)</u>	<u>-</u>	<u>(34,883)</u>	<u>4,842,038</u>
FUND BALANCE, beginning of year	<u>2,925,383</u>	<u>(1,007,287)</u>	<u>1,189,328</u>	<u>-</u>	<u>422,661</u>	<u>3,530,085</u>
FUND BALANCE, end of year	<u>\$ 3,422,187</u>	<u>\$ 3,378,221</u>	<u>\$ 1,183,937</u>	<u>\$ -</u>	<u>\$ 387,778</u>	<u>\$ 8,372,123</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF ASHFORD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net changes in fund balances - total governmental funds \$ 4,842,038

Total change in net position reported for governmental activities in the statement of activities is different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The amount by which depreciation expense exceeded capital additions in the current period is as follows:

Expenditures for capital assets	1,967,921	
Depreciation expense	<u>(648,579)</u>	
		1,319,342

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in revenues - unavailable property taxes	(1,447,020)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt obligations is as follows:

Debt issued or incurred:		
General obligation bonds and notes payable		(4,015,560)
Principal repayments:		
General obligation bonds	30,000	
Equipment financing notes	106,009	
Lease liabilities	<u>14,464</u>	
		150,473

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 amount represents the effect of such items:

Deferred outflows - deferred charge on refunding	(1,271)	
Amortization of bond premium	7,663	
Accrued interest	(155,383)	
Compensated absences	30,924	
Other post employment benefits	<u>(16,401)</u>	
		<u>(134,468)</u>

Changes in net position of governmental activities	<u>\$ 714,805</u>
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The accompanying notes are an integral part of these financial statements

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	PENSION TRUST FUND	PRIVATE PURPOSE TRUST FUND	CUSTODIAL FUND
ASSETS			
Cash and cash equivalents	\$ -	\$ 28,732	\$ 19,230
Investments	1,994,174	182,178	-
Employer contributions receivable	67,941	-	-
Other receivables	-	-	73
Total assets	\$ 2,062,115	\$ 210,910	\$ 19,303
 NET POSITION			
Restricted for:			
Pension benefits	\$ 2,062,115	\$ -	\$ -
Scholarships	-	210,910	-
Individuals, organizations, and others	-	-	19,303
Total net position	\$ 2,062,115	\$ 210,910	\$ 19,303

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

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	PENSION TRUST FUND	PRIVATE PURPOSE TRUST FUND	CUSTODIAL FUND
ADDITIONS			
Interest and dividend income	\$ 80,276	\$ 4,420	\$ -
Net appreciation in the fair value of investments	129,050	11,267	-
Employer contributions	67,941	-	-
Other revenues	-	50,155	950
Total additions	<u>277,267</u>	<u>65,842</u>	<u>950</u>
DEDUCTIONS			
Benefits	5,564	-	-
Administrative expenses	9,681	1,341	-
Scholarships	-	501	-
Other expenses	-	-	500
Total deductions	<u>15,245</u>	<u>1,842</u>	<u>500</u>
Change in net position	262,022	64,000	450
NET POSITION			
Beginning of year	<u>1,800,093</u>	<u>146,910</u>	<u>18,853</u>
End of year	<u>\$ 2,062,115</u>	<u>\$ 210,910</u>	<u>\$ 19,303</u>

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

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE OF ORGANIZATION

The Town of Ashford, Connecticut (“Town”) is a municipal corporation governed by a selectmen-town meeting form of government. Under this form of government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member Board of Selectmen. The selectmen oversee most of the activities not assigned specifically to another body. An elected board of education oversees the public school system. The elected Board of Finance is the budget making authority and supervises the town financial matters.

The Town’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

REPORTING ENTITY

The reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) 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 incomplete or misleading as set forth by GASB.

In evaluating how to define the reporting entity for financial statement reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

BASIC FINANCIAL STATEMENTS – 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 which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, revenues and expenses/expenditures. 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 Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles, as follows:

Fund Categories

- a. Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:
 - General Fund - This fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.
 - The Capital Nonrecurring Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets. This fund is a capital project fund.
 - The Small Cities Grant Program Fund is used to account for program income received and federal grants used to fund the Town's Residential Rehabilitation Loan Program and costs associated with the Ashford Food Program. This fund is a special revenue fund.
 - The ARPA Grant Fund – The ARPA fund is a special revenue fund used to account for receipt and use of federal funds awarded to the Town under the American Rescue Plan Act of 2021.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (Continued)

Fund Categories (Continued)

The Town also reports the following non-major governmental funds:

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purpose other than debt service or capital projects. The non-major Special Revenue Funds of the Town are:

- Animal Fund
- School Cafeteria Fund
- Educational Grants Fund
- Preservation of Historical Records Fund
- Recreation Fund
- Student Activities Fund
- Opioid Fund
- Nips Fund
- AYSB Fund
- Town Clerk Special Fund
- Veterans Memorial Fund

Permanent Funds – Permanent funds are used to report resources that legally restrict the entity to the extent that income (earnings) and not principal will be used for specified purposes. The non-major permanent funds of the Town are:

- Band and Library Fund
- Cemetery Fund

a. Fiduciary Funds (Not Included in Government-Wide Financial Statements) – The Fiduciary funds are used to account for assets held by the Town in a trustee capacity on behalf of others. In the Town of Ashford, Connecticut, the fiduciary funds are as follows:

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

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements and the fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

Property taxes and certain other revenues are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES

DEPOSITS, INVESTMENTS AND RISK DISCLOSURES

Cash and cash equivalents - Cash and cash equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, money market funds, State of Connecticut Treasurer's Short-Term Investment Fund, Tax Exempt Proceeds Funds and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES (Continued)

DEPOSITS, INVESTMENTS AND RISK DISCLOSURES (Continued)

The Short-Term Investment Fund (“STIF”) is a money market investment pool managed by the Cash Management Division of the State Treasurer’s Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a “2a7-like” pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds’ risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

Restricted cash – Restricted cash consists of funds deposited in demand deposit accounts which by contract or other agreement, must be segregated from other town deposits.

Certificates of deposit -Certificates of deposit consist of time deposit accounts with original maturity dates of more than three months.

Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town’s policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (sections 3-24f and 3-27f) also provide for investment in shares of STIF, as previously discussed, and the Tax Exempt Proceeds Fund.

Trust funds are able to invest in a wider range of investments. The Town follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quote prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Investments consist of mutual funds and exchange traded funds held within the Town’s fiduciary funds.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES (Continued)

DEPOSITS, INVESTMENTS AND RISK DISCLOSURES (Continued)

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. 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 changing interest rates. Generally, the Town does not invest in any long-term investment obligations as its certificates of deposit have maturities of less than one year.

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's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

TAXES RECEIVABLE

Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statute, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due. An allowance for uncollectible taxes, interest and liens fees of \$260,987 has been recorded net with taxes and interest receivable as of June 30, 2025.

LOANS RECEIVABLE

The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2025, loans receivable totaled \$1,133,335 under this program.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES *(Continued)*

OTHER RECEIVABLES

Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

DUE FROM/TO OTHER FUNDS

During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2025, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

PREPAID EXPENSES/EXPENDITURES

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

INVENTORIES

Inventories in the governmental funds are valued at cost on a first-in, first-out basis. The cost is recorded as inventory at the time individual items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance in governmental funds, which indicates that they do not constitute “available spendable resources” even though they are a component of current assets. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES (Continued)

CAPITAL ASSETS (Continued)

Intangible assets lack physical substance, is nonfinancial in nature and its useful life extends beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized. 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. Land is considered inexhaustible and, therefore, not depreciated. Construction in Progress has not yet been placed into service and, therefore, is not depreciated. Property, plant and equipment of the Town is depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 20,000
Buildings and improvements	10-100	\$ 20,000
Machinery, equipment and vehicles	3-30	\$ 10,000
Infrastructure	20-100	\$ 100,000

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

UNEARNED REVENUES

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES (Continued)

LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

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

NET POSITION

Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets and restricted. The balance is classified as unrestricted.

In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

FUND BALANCE

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION FUND BALANCES *(Continued)*

FUND BALANCE *(Continued)*

- Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. A motion at a Town meeting is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Finance for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.
- Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

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

ENCUMBRANCES

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

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ESTIMATES

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 18, 2025, the date that the financial statements were available to be issued. There were no subsequent events identified that require disclosure.

APPLICATION OF ACCOUNTING STANDARDS

For the year ended June 30, 2025, the following accounting pronouncements became effective and were implemented by the Town:

GASB Statement 101, Compensated Absences. This statement updates the recognition and measurement guidance for compensated absences. As discussed in *Note 16*, the Town made an adjustment to the opening net position of its governmental activities of (\$240,945) in connection with the adoption of this standard.

GASB Statement 102, Certain Risk Disclosures. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGET BASIS

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- **Teachers' Retirement and Other Post - Employment Benefits (OPEB)** – The Town does not recognize as income or expenditures payments made for the teachers' retirement and OPEB by the State of Connecticut on the Town's behalf in its budget. U.S. GAAP requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- **Encumbrances** – Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY *(Continued)*

BUDGET BASIS *(Continued)*

- **Excess Cost Grant** – As permitted by State Statutes, the Town nets the receipt of the Connecticut Excess Cost Education Grant directly against its Board of Education expenditures for budgetary purposes. Such grant revenue is reported gross as intergovernmental revenue for U.S. GAAP.

- **Transfers to/from the Board of Education Non-lapsing Fund Balance of the General Fund** – As permitted by Connecticut General Statutes Section 10-248a and subsequent amendments, the Town makes transfers of the unexpended Board of Education budget to a Nonlapsing Education Fund Balance. Such transfers are limited to two percent of the related total budgeted appropriation and are restricted for educational expenditures. Additions to and uses of these funds are excluded from the Town’s budget.

- **Select General Fund Revenues and Expenditures** – Revenues and expenditures of the General Fund as they relate to Babcock Library, Knowlton Hall, 300th Anniversary, Misc. Special Funds, select Town Aid Road, Building Fund, Contractor Bonds, the previously mentioned Board of Education Non-lapsing Fund, and Open Space are excluded from the Town’s budget.

BUDGET PROCEDURES AND CONTROL

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

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen, a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.

- The Board of Selectmen presents a budget message, estimates of revenues and expenditures and justifications to the Board of Finance for all Town-supported functions. The Board of Education presents estimates of revenues and expenditures and justifications to the Board of Finance for all local education functions.

- The Region 19 Board of Education presents the proposed Region 19 budget to the Board of Finance. A separate public hearing and referendum for the Region 19 budget are administered by the Region 19 Board of Education.

**THE TOWN OF ASHFORD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY *(Continued)*

BUDGET PROCEDURES AND CONTROL *(Continued)*

- The Board of Finance holds at least one public hearing on the proposed budget. The Board of Finance may review the budget requests with the head of each department, board, agency, and commission including the local Board of Education. The Board of Finance then prepares a budget to be presented and may approve or lower the General Government, Ashford Board of Education, and/or Capital Projects budgets. The Region 19 budget cannot be approved or lowered during this meeting as it is subject to a separate Region 19 referendum. The Annual Budget meeting will adjourn to referendum.

- Expenditures are budgeted by function, department, and object. The legal level of budgetary control, (the level at which expenditures may not exceed appropriations) is established at the department level. Transfers of budgeted amounts between departments must be approved by the Board of Finance. Management may transfer amounts between line items within a department. Additional appropriation requests are submitted by the department heads to the Board of Selectmen. The Board of Selectmen acts on the requests, which, if approved, are sent to the Board of Finance. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000 or are not a second request for an appropriation by the asking board, commission, or department. Appropriations in excess of the amount which the Board of Finance may approve or a second request by the requesting board, commission, or department, must be approved by vote of a Town Meeting. During the year ended June 30, 2025, additional appropriations from fund balance totaled \$84,451.

- Formal budgetary integration is used as a management tool during the year.

EXPENDITURES IN EXCESS OF BUDGET

For the year ended June 30, 2025, no department totals were in excess of their budgeted appropriations.

NOTE 3 – CASH, CASH EQUIVALENTS, RESTRICTED CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS

Cash and cash equivalents, restricted cash, and certificates of deposit of the Town consist of the following at June 30, 2025:

Statement of Net Position	
Cash and cash equivalents	\$ 7,980,158
Restricted cash	14,019
Certificates of deposit	128,476
	8,122,653
Fiduciary Funds	
Cash and cash equivalents	47,962
	\$ 8,170,615

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH, CASH EQUIVALENTS, RESTRICTED CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (Continued)

As of June 30, 2025, the carrying amount of the Town’s cash and cash equivalents, restricted cash, and certificates of deposits was comprised of the following:

Deposits with financial institutions	\$6,619,030
Plus external investment pools	<u>1,551,585</u>
	<u><u>\$8,170,615</u></u>

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 bank balance of the deposits, including deposits in fiduciary funds, was \$6,713,268 and was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 855,954
Collateralized by securities held in trust not in the Town's name	585,731
Uninsured and uncollateralized	<u>5,271,583</u>
	<u><u>\$6,713,268</u></u>

Investments – Investments, reported at fair value, and held by the Town’s Fiduciary Funds consist of the following at June 30, 2025:

Investment Type	Credit Rating	Fair Value	Fair Value Measurements		
			Level 1	Level 2	Level 3
Money market funds	N/A	\$ 49,508	\$ 49,508	\$ -	\$ -
Mutual and exchange-traded funds	N/A	<u>2,155,576</u>	<u>2,155,576</u>	<u>-</u>	<u>-</u>
		<u><u>\$ 2,205,084</u></u>	<u><u>\$ 2,205,084</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 – RECEIVABLES, DEFERRED INFLOWS OF RESOURCES, AND UNEARNED REVENUE

At June 30, 2025, receivables consisted of the following:

	Governmental Funds			Fiduciary Funds	Government-Wide
	General Fund	Small Cities Grant Program Fund	Nonmajor Governmental Fund	Pension Trust Fund	Governmental Activities
Property taxes	\$ 717,074	\$ -	\$ -	\$ -	\$ 717,074
Interest and liens	511,421	-	-	-	511,421
Intergovernmental	-	-	119,807	-	119,807
Accounts	16,033	-	390	-	16,423
Loans	-	1,133,335	-	-	1,133,335
Employer contributions	-	-	-	67,941	-
Receivables, gross	1,244,528	1,133,335	120,197	67,941	2,498,060
Allowance for doubtful accounts	(260,987)	-	-	-	(260,987)
Receivables, net	<u>\$ 983,541</u>	<u>\$ 1,133,335</u>	<u>\$ 120,197</u>	<u>\$ 67,941</u>	<u>\$ 2,237,073</u>

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. This is recorded as the liability *unearned revenue* at June 30, 2025. The ARPA Grant Fund and certain nonmajor governmental funds reported unearned revenue related to unspent federal funds. Governmental funds report *deferred inflows of resources* in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. The Town reports both property taxes and intergovernmental revenues not received within 60 days of the year end in deferred inflows of resources.

At June 30, 2025, the Town’s unearned revenues and deferred inflows of resources consisted of the following:

	Governmental Funds			Government-Wide
	General Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Governmental Activities
Unearned revenue	<u>\$ -</u>	<u>\$ 67,221</u>	<u>\$ 23,807</u>	<u>\$ 91,028</u>
Deferred inflows of resources				
Revenue - unavailable	<u>\$ 924,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – INTERFUND TRANSACTIONS

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2025, these were summarized as follows:

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 57,208
Capital Nonrecurring Fund	General Fund	3,456,129
ARPA Fund	General Fund	67,366
Nonmajor Governmental Funds	General Fund	185,653
		<u>\$3,766,356</u>

Fund transfers are generally used to fund special projects with General Fund revenues. Transfers during the year ended June 30, 2025 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Capital Noncuring Fund	\$ 218,817
General Fund	Nonmajor Governmental Funds	203,401
Capital Nonrecurring Fund	General Fund	45,988
		<u>\$ 468,206</u>

NOTE 6 – CAPITAL ASSETS

Changes in the Town’s capital assets used in the governmental activities are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land and land development rights	\$ 1,612,327	\$ -	\$ -	\$ 1,612,327
Construction in progress	1,748,705	1,326,763	-	3,075,468
	<u>3,361,032</u>	<u>1,326,763</u>	<u>-</u>	<u>4,687,795</u>
Capital assets being depreciated				
Buildings and improvements	15,052,230	201,718	-	15,253,948
Machinery, equipment, and vehicles	5,380,037	439,440	-	5,819,477
Infrastructure	3,035,949	-	-	3,035,949
Right of use equipment	70,374	-	-	70,374
	<u>23,538,590</u>	<u>641,158</u>	<u>-</u>	<u>24,179,748</u>
Accumulated depreciation and amortization				
Buildings and improvements	5,252,298	243,400	-	5,495,698
Machinery, equipment, and vehicles	3,360,183	293,904	-	3,654,087
Infrastructure	1,130,256	97,787	-	1,228,043
Right of use equipment	41,460	13,488	-	54,948
	<u>9,784,197</u>	<u>648,579</u>	<u>-</u>	<u>10,432,776</u>
Capital assets being depreciated, net	<u>13,754,393</u>	<u>(7,421)</u>	<u>-</u>	<u>13,746,972</u>
Total governmental activities capital assets, net	<u>\$ 17,115,425</u>	<u>\$ 1,319,342</u>	<u>\$ -</u>	<u>\$ 18,434,767</u>

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

General Government	\$ 130,597
Public Safety	62,308
Public Works	201,777
Library	4,999
Recreation	13,339
Education	235,559
	\$ 648,579

NOTE 7 – LONG-TERM LIABILITIES

The following table summarizes changes in the Town’s long-term indebtedness for the year ending June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 310,000	\$4,000,000	\$ 30,000	\$4,280,000	\$4,030,000
Unamortized bond premium	62,318	15,560	7,663	70,215	23,223
Equipment financing notes	184,184	-	106,009	78,175	78,175
Leases payable	30,433	-	14,464	15,969	11,985
Compensated absences	278,087	54,185	85,109	247,163	247,163
OPEB obligation	436,324	16,401	-	452,725	-
	\$1,301,346	\$4,086,146	\$ 243,245	\$5,144,247	\$4,390,546

Each governmental funds’ liability is liquidated by the respective fund, primarily the General Fund and Capital Non-recurring Fund. Interest on these obligations is expensed to the respective fund, primarily the General Fund and Capital Non-recurring Fund.

NOTE 8 – GENERAL OBLIGATION BONDS

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2025 consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
General Obligation - Refunding	2013	\$2,640,000	2033	2.00 - 4.00%	\$ 280,000
General Obligation	2025	\$4,000,000	2026	4.25%	4,000,000
					\$4,280,000

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – GENERAL OBLIGATION BONDS (Continued)

Payments to maturity on the general obligation bonds are as follows:

Year End	Governmental Activities General Obligation Bonds	
	Principal	Interest
2026	\$ 4,030,000	\$ 180,600
2027	30,000	9,400
2028	35,000	8,100
2029	35,000	6,700
2030	35,000	5,300
2031-2033	115,000	7,100
	\$ 4,280,000	\$ 217,200

For the year ended June 30, 2025, interest incurred and expensed on general obligation bonds, net of the amortized premium, totaled \$160,791.

NOTE 9 – EQUIPMENT FINANCING NOTES

The Town has entered into two equipment financing notes for the acquisition of an excavator and a fire truck. Details on these obligations are as follows:

Equipment	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
Excavator	2022	\$ 184,325	2026	2.25%	\$ 36,865
Fire Truck	2022	270,000	2026	2.65%	41,310
					\$ 78,175

As of June 30, 2025, the annual debt service requirements on these two notes were as follows:

Year End	Governmental Activities Equipment Financing Notes	
	Principal	Interest
2026	\$ 78,175	\$ 789

Interest incurred on these two notes for the year ended June 30, 2025 totaled \$3,492.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – LEASES PAYABLE

The Town has entered into two separate agreements to lease equipment, both of which qualify as leases other than short-term leases under GASB 87. As such, both leases have been recorded at the present value of their respective future minimum lease payments as of their inception.

The first lease was entered into in October 2020 to lease copiers and printers at the Town’s Board of Education and required monthly payments of approximately \$684 through January 2026. The lease liability is measured at a discount rate of 2.65% which is the rate recently received by the Town in a separate financing arrangement. The net book value of the related right of use asset was \$10,742 at June 30, 2025.

The second lease was entered into in January 2022 for copiers and printers at the Town’s offices and requires monthly payments of approximately \$574 through February 2027. The lease liability was measured at a discount rate of 2.65% which is the rate recently received by the Town in a separate financing arrangement. The net book value of the related right of use asset was \$4,684 at June 30, 2025.

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

Year End	Governmental Activities	
	Leases Payable	
	Principal	Interest
2026	\$ 11,986	\$ 721
2027	3,983	35
	\$ 15,969	\$ 756

Interest incurred on these leases totaled approximately \$632 for the year ended June 30, 2025.

NOTE 11 – SHARED DEBT

The Town is contingently liable for its pro-rata share of the Regional School District No 19’s (the “District”) outstanding bonds (See *Note 19*). As of June 30, 2025, the District’s total outstanding bonds and BAN’s were \$1,538,282. Approximately 18.37% or \$282,582 represents the Town’s contingent share. Additionally, the District has \$5,572,000 of authorized, unissued bonds at June 30, 2025 for which the Town would be contingently liable when issued.

NOTE 12 – COMPENSATED ABSENCES

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

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 – LEGAL DEBT LIMIT

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town. The limitations for the Town of Ashford, Connecticut are as follows:

Total tax collections (including interest and lien fees) for the year - primary government	\$ 12,826,641																																																																														
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	-																																																																														
Debt limitation base	<u>\$ 12,826,641</u>																																																																														
	<table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%; text-align: center;">General Purpose</th> <th style="width: 15%; text-align: center;">Schools</th> <th style="width: 15%; text-align: center;">Sewers</th> <th style="width: 15%; text-align: center;">Urban Renewal</th> <th style="width: 15%; text-align: center;">Pension Deficit</th> </tr> </thead> <tbody> <tr> <td>Debt limitation</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> 2 1/4 times base</td> <td style="text-align: right;">\$ 28,859,942</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td> 4 1/2 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">57,719,885</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 3 3/4 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">48,099,904</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 3 1/4 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">41,686,583</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 3 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">38,479,923</td> </tr> <tr> <td>Total debt limitation</td> <td style="text-align: right;"><u>28,859,942</u></td> <td style="text-align: right;"><u>57,719,885</u></td> <td style="text-align: right;"><u>48,099,904</u></td> <td style="text-align: right;"><u>41,686,583</u></td> <td style="text-align: right;"><u>38,479,923</u></td> </tr> <tr> <td>Indebtedness</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Bonds payable</td> <td style="text-align: right;">4,280,000</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> *Bonds payable, net - Regional School District No. 19</td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>1,278,299</u></td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>4,280,000</u></td> <td style="text-align: right;"><u>1,278,299</u></td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td>Debt limitation in excess of debt outstanding and authorized</td> <td style="text-align: right;"><u>\$ 24,579,942</u></td> <td style="text-align: right;"><u>\$ 56,441,586</u></td> <td style="text-align: right;"><u>\$ 48,099,904</u></td> <td style="text-align: right;"><u>\$ 41,686,583</u></td> <td style="text-align: right;"><u>\$ 38,479,923</u></td> </tr> </tbody> </table>		General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Debt limitation						2 1/4 times base	\$ 28,859,942	\$ -	\$ -	\$ -	\$ -	4 1/2 times base	-	57,719,885	-	-	-	3 3/4 times base	-	-	48,099,904	-	-	3 1/4 times base	-	-	-	41,686,583	-	3 times base	-	-	-	-	38,479,923	Total debt limitation	<u>28,859,942</u>	<u>57,719,885</u>	<u>48,099,904</u>	<u>41,686,583</u>	<u>38,479,923</u>	Indebtedness						Bonds payable	4,280,000	-	-	-	-	*Bonds payable, net - Regional School District No. 19	<u>-</u>	<u>1,278,299</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>4,280,000</u>	<u>1,278,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	Debt limitation in excess of debt outstanding and authorized	<u>\$ 24,579,942</u>	<u>\$ 56,441,586</u>	<u>\$ 48,099,904</u>	<u>\$ 41,686,583</u>	<u>\$ 38,479,923</u>
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In no case shall total indebtedness exceed seven times the annual receipts from taxation	<u>\$ 89,786,487</u>																																																																														

* The Town of Ashford, Connecticut (the "Town") is a member of Regional School District No. 19. (the "District"). This amount represents the Town's proportional share of the District's outstanding bonds payable as of June 30, 2025, calculated as follows:

Bonds payable, net - Regional School District No. 19	\$ 1,307,974
Authorized and unissued - Regional School District No. 19	<u>5,572,000</u>
	6,879,974
Town of Ashford, Connecticut's proportionate share	<u>18.58%</u>
	<u>\$ 1,278,299</u>

NOTE 14 – NET POSITION

The components of net position are as detailed below:

Net Investment in Capital Assets – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – NET POSITION (Continued)

Restricted Net Position – Nonexpendable – the component of net position that reflects funds set aside in accordance with laws, regulations, grants and other agreements that must be kept intact and cannot be spent. This is made up of \$81,000 in permanent fund principal for cemeteries and scholarships.

Restricted Net Position – Expendable – the component of net position that reflects funds that can only be spent subject to the laws, regulations, grants, and other agreements relating to these funds. This is made up of:

Restricted - expendable	
Small Cities Grant Program	\$ 1,183,937
Board of Education CGS Section 10-248a	447,915
Town Clerk	38,193
After school program	73
Senior activities	3,051
Cemeteries	37,159
Historical record preservation	29,741
Opioid program	25,298
Student activities	19,104
Nips program	20,098
Scholarships	502
	\$ 1,805,071

Unrestricted – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 – FUND BALANCES

As discussed in *Note 1*, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Not in spendable form						
Prepaid expenditures	\$ -	\$ -	-	-	\$ 3,560	\$ 3,560
Inventories	-	-	-	-	10,533	10,533
Long-term receivables	-	-	1,133,335	-	-	1,133,335
Required to be maintained						
Trust principal	-	-	-	-	81,000	81,000
	<u>\$ -</u>	<u>\$ -</u>	<u>1,133,335</u>	<u>-</u>	<u>\$ 95,093</u>	<u>\$ 1,228,428</u>
Restricted						
General Government	\$ -	\$ -	-	-	\$ 91,083	\$ 91,083
Planning and development	-	-	50,602	-	37,159	87,761
Health, Welfare and Sanitation	-	-	-	-	25,298	25,298
Education	447,915	-	-	-	19,177	467,092
Library	-	-	-	-	502	502
	<u>\$ 447,915</u>	<u>\$ -</u>	<u>50,602</u>	<u>-</u>	<u>\$ 173,219</u>	<u>\$ 671,736</u>
Committed						
General Government	\$ 25,987	\$ -	\$ -	\$ -	\$ -	\$ 25,987
Library	189,476	-	-	-	-	189,476
Public Works	5,730	-	-	-	-	5,730
Capital Projects	-	3,056,379	-	-	-	3,056,379
	<u>\$ 221,193</u>	<u>\$ 3,056,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,277,572</u>
Assigned						
General Government	\$ -	\$ -	-	-	\$ 1,743	\$ 1,743
Public Safety	-	-	-	-	2,432	2,432
Health, Welfare and Sanitation	-	-	-	-	45,828	45,828
Education	-	-	-	-	48,514	48,514
Recreation	-	-	-	-	20,949	20,949
Capital Projects	-	321,842	-	-	-	321,842
	<u>\$ -</u>	<u>\$ 321,842</u>	<u>-</u>	<u>-</u>	<u>\$ 119,466</u>	<u>\$ 441,308</u>
Unassigned						
	<u>\$ 2,753,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,753,079</u>

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 – ADJUSTMENT

In connection with adoption of GASB 101, *Compensated Absences*, the Town made the following adjustments to the opening balances of its governmental activities:

	Increase (Decrease)
Compensated absences	\$ 240,945
Net position	(240,945)
	\$ -

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS

DEFINED CONTRIBUTION RETIREMENT PLAN

The Town established a single employer defined contribution plan called the Town of Ashford MPP (the ‘Plan’) to provide retirement benefits for all of its full-time employees. Under the provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 7% of employee covered payroll. Plan participants are not required to contribute to the Plan. The Plan does not issue stand alone financial statements and is part of the Town’s financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund. Town contributions are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Employer contributions totaled \$67,941 for the year ended June 30, 2025.

TEACHERS’ RETIREMENT SYSTEM

Plan Description

The Connecticut Teachers’ Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes.

TRS is a cost-sharing multiemployer pension plan administered by the Connecticut State Teachers’ Retirement Board. The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the TRS. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

TEACHERS' RETIREMENT SYSTEM (Continued)

Benefit Provisions

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

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

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

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary. A Plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The Plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

TEACHERS’ RETIREMENT SYSTEM (Continued)

Contributions

State of Connecticut: Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employer (School Districts /Town of Ashford): School district employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees: Effective July 1, 1992, each teacher was required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

Administrative expenses: Administrative expenses of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

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

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

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

TEACHERS’ RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

Long-term Rate of Return: The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the State of Connecticut’s Treasurer’s Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	6.8%
Public Credit	2.00%	2.9%
Core Fixed Income	13.00%	0.4%
Liquidity Fund	1.00%	-0.4%
Risk Mitigation	5.00%	0.1%
Private Equity	15.00%	11.2%
Private Credit	10.00%	6.1%
Real Estate	10.00%	6.2%
Infrastructure and Natural Resources	7.00%	7.7%
	100.00%	

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

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

TEACHERS’ RETIREMENT SYSTEM (Continued)

Town’s Proportionate Share of the Collective Net Pension Liability

Town of Ashford's Net Pension Liability	\$	-
State of Connecticut's Net Pension Liability for the Town of Ashford		11,891,810
Net Pension Liability	\$	11,891,810

Portion of the State of Connecticut's Net Pension Liability		
which is related to the Town of Ashford employees		0.075400%
Pension Expense	\$	1,172,158
Proportion Basis		Employee contributions
Change in proportion since prior measurement date		None

The Town is not required to make contributions to the plan. The Town’s proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

Sensitivity Analysis – The following presents Connecticut’s net pension liability with respect to the Town of Ashford, Connecticut’s employee group, calculated using the current discount rate, as well as what this net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
	5.90%	6.90%	7.90%
State's Net Pension Liability	\$ 15,954,119	\$ 11,891,810	\$ 8,519,342

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

Support Provided by Nonemployer Contributing Entity (State) – The Town has a special funding situation whereby the State is obligated to pay the pension costs of the TRS and the Town is not required to pay any of the costs. However, the Town must record the costs paid by the State on behalf of the Town’s employees as revenue and expense in its GAAP financial statements which amounted to \$1,364,016 of revenue and expense.

Obtaining a Report of the Plan – TRS is considered to be part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. The report includes information on the plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

OTHER POST-EMPLOYMENT BENEFITS – TEACHERS’ RETIREMENT SYSTEM

Plan Description

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

Benefit Provisions

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age sixty with twenty years of credited service in Connecticut, or thirty-five years of credited service including at least twenty-five years of service in Connecticut.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

OTHER POST-EMPLOYMENT BENEFITS – TEACHERS’ RETIREMENT SYSTEM
(Continued)

Contributions

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

Employer: School district employers are not required to make contributions to the Plan.

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

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
 Investment rate of return	 3.00%, net of OPEB plan investment expense, including inflation
 Year fund net position will be depleted	 2027
Municipal bond index rate (measurement date)	3.93%
Municipal bond index rate (prior)	3.65%
Single equivalent interest rate (measurement date)	3.64% (net of investment exp, incl. inflation)
Single equivalent interest rate (prior)	3.93% (net of investment exp, incl. inflation)
Healthcare cost trend rates (Medicare)	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS *(Continued)*

OTHER POST-EMPLOYMENT BENEFITS – TEACHERS’ RETIREMENT SYSTEM
(Continued)

Actuarial Assumptions *(Continued)*

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

Long-Term Rate of Return

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

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

The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is 1.26%. Price inflation is expected to be 2.50% while the expected rate of return is 3.75%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made.

Based on those assumptions, the plan’s fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The Town’s proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

The State of Connecticut’s proportionate share of the net OPEB liability associated with the Town is 0.075400% or \$2,439,419. The Town recognized on-behalf revenues and expenditures of \$33,800 in connection with this plan.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS *(Continued)*

OTHER POST-EMPLOYMENT BENEFITS – TEACHERS’ RETIREMENT SYSTEM
(Continued)

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers’ OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

OTHER POST-EMPLOYMENT BENEFITS – BOARD OF EDUCATION

From an accrual accounting perspective, the cost of post-employment health care benefits generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

The Town provides certain health care benefits for retired employees through a single-employer defined benefit plan administered by the Town of Ashford, Connecticut in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement, and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

As of the June 30, 2025 measurement date, plan membership consisted of 51 participants, of which 48 were active employees and 3 were retirees.

Funding Policy

Retired teachers and their spouses must be allowed to continue their health insurance benefits, in the same health insurance plan offered to active teachers, through their last employing Town. The Town does not contribute to the retirees' health insurance. The retirees pay 100% of the premiums in accordance with the Connecticut General Statutes and the various collective bargaining agreements. Since the Town’s liability is solely from the implicit rate subsidy calculation, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines.

Actuarial Methods and Significant Assumptions

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.

**THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

OTHER POST-EMPLOYMENT BENEFITS – BOARD OF EDUCATION

Actuarial Methods and Significant Assumptions (Continued)

The government has elected to use the alternative approach to calculate OPEB related benefits. This allows financial statement preparers to use certain simplifying assumptions to project benefits without the use of an actuary. The significant assumptions to apply this method were developed by the Board of Education with the use of an outside vendor.

Other actuarial methods and significant assumptions are summarized as follows:

Actuarial Cost Method	Entry Age Normal
Average Retirement Age	60
Discount Rate	5.300%
Measurement Date	June 30, 2025
Projected Salary Increases	2.90%
Amortization Period	20
Percentage Participation	25.00%
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

The discount rate used to measure the total OPEB liability was 5.300% and was based on the published Bond Buyer General Obligation 20-Bond Municipal Index effective as of June 30, 2025.

Total OPEB expense (income) recognized for this Plan for the year ended June 30, 2025 was \$16,401.

Changes in the OPEB Liability

Changes in the OPEB liability for the year ended June 30, 2025 are as follows:

Balance, beginning of year	\$436,324
Changes for the year:	
Service cost	14,130
Interest	17,984
Effect of economic/demographic gains/losses	59,489
Changes of assumptions	(57,857)
Benefit payments	<u>(17,345)</u>
Net changes	<u>16,401</u>
Balance, end of year	<u><u>\$452,725</u></u>

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – PENSION AND OTHER POST RETIREMENT PLANS (Continued)

OTHER POST-EMPLOYMENT BENEFITS – BOARD OF EDUCATION

Sensitivity Analysis

The following presents the total OPEB liability of the Town, calculated using the current discount rate of 5.300% as well as what the Town’s net OPEB liability if it were calculated using a discount rate that is 1 percentage lower (4.300%) or 1 percentage higher (6.300%)

	Decreasing by 1% (4.300%)	Current Rate (5.300%)	Increasing by 1% (6.300%)
Total OPEB liability as of June 30, 2025	\$ 498,970	\$ 452,725	\$ 412,503

The following chart shows the baseline healthcare trend rates used in the calculation of the net OPEB liability:

	Medical	Pharmacy	Dental	Vision
Year 1	5.800%	11.700%	3.500%	3.000%
Year 2	5.700%	8.700%	3.500%	3.000%
Year 3	5.600%	5.600%	3.000%	3.000%
Year 4	5.400%	5.400%	3.000%	3.000%
Year 5	5.200%	5.200%	3.000%	3.000%
Year 6	5.000%	5.000%	3.000%	3.000%
Year 7	4.800%	4.800%	3.000%	3.000%
Year 8	4.600%	4.600%	3.000%	3.000%
Year 9	4.400%	4.400%	3.000%	3.000%
Year 10 +	4.100%	4.100%	3.000%	3.000%

The following presents total OPEB liability of the Town, calculated using the current healthcare trend rates as displayed in the previous table, as well as the liability calculated using healthcare trend rates 1% greater than and 1 % less than the baseline trends shown in the table.

	Decreasing by 1%	Baseline Rates	Increasing by 1%
Total OPEB liability as of June 30, 2025	\$ 395,767	\$ 452,725	\$ 520,433

There are no deferred outflows of resources or deferred inflows of resources with respect to OPEB as of June 30, 2025.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 18 – CONTINGENT LIABILITIES AND RISK MANAGEMENT

LITIGATION

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

CONTINGENCIES AND RISK MANAGEMENT

Grants – The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

School Building Grants – Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, will owe a portion of the State funding back to the State. For projects with a cost of over two million dollars, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

Risk Management – The Town is exposed to various risks of loss related torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years. The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-749a et. seq. for some of its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA by unable to do so.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS AND JOINT VENTURES

Regional School District No. 19 - The Town is a member of Regional School District No. 19 (the "District") which is located in Mansfield, Connecticut. The District provides educational services for the grade 9 through 12 populations within its member towns. The activities of the District are primarily supported by assessments made to member towns. Assessments for the Town in the current fiscal year totaled \$3,799,679. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District's outstanding bonds (See *Note 11*). The District is governed by an elected Board of Education and issues publicly available financial reports.

NOTE 20 – SUBSEQUENT EVENT

On July 22, 2025, the Town paid off its \$4,000,000 General Obligation Bond Anticipation Notes using \$2,400,000 of cash and issuing \$1,600,000 General Obligation Bond Anticipation Notes. The notes carry an interest rate of 4.00% and mature on July 21, 2026.

THE TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 21 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 (the Town's fiscal year ending June 30, 2026).
- GASB Statement 104, *Disclosure of Certain Capital Assets*. This statement requires separate note disclosures for specific types of capital assets, including lease assets, subscription assets, and certain intangible assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 (the Town's fiscal year ending June 30, 2026).

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES					
Property Taxes:					
Current taxes	\$ 12,382,805	\$ -	\$ 12,382,805	\$ 12,412,471	\$ 29,666
Prior taxes	87,000	-	87,000	142,285	55,285
Interest and lien fees	45,000	-	45,000	95,889	50,889
Motor Vehicle Supplement	85,000	-	85,000	140,882	55,882
	<u>12,599,805</u>	<u>-</u>	<u>12,599,805</u>	<u>12,791,527</u>	<u>191,722</u>
State of Connecticut:					
Telephone tax	9,133	-	9,133	42,273	33,140
Mashantucket grant	12,010	-	12,010	11,010	(1,000)
MV Tax Cap Grant	-	-	-	31,289	31,289
Stressed municipality-SA21-15	44,498	-	44,498	44,498	-
Municipal revenue sharing	3,582	-	3,582	3,582	-
Motor vehicle fines	700	-	700	1,750	1,050
Tax relief - disability	1,104	-	1,104	1,125	21
Veterans loss	1,176	-	1,176	1,082	(94)
PILOT State property	13,773	-	13,773	14,123	350
PILOT State property - AHA	7,500	-	7,500	5,000	(2,500)
PILOT State property - other	8,059	-	8,059	8,059	-
Education assistance	3,459,062	-	3,459,062	3,457,441	(1,621)
	<u>3,560,597</u>	<u>-</u>	<u>3,560,597</u>	<u>3,621,232</u>	<u>60,635</u>
Other Revenues:					
Pistol permits	2,000	-	2,000	3,360	1,360
Garage rental - BOE	6,000	-	6,000	6,000	-
Newsletter revenue	9,100	-	9,100	4,920	(4,180)
Farmers market fees	1,485	-	1,485	2,055	570
Insurance dividend	8,795	-	8,795	3,529	(5,266)
WRTD mileage reimbursement	-	-	-	91	91
Cannabis Tax	-	-	-	3,105	3,105
Senior center	2,700	-	2,700	-	(2,700)
Hunting/fishing license	10	-	10	27	17
Marriage licenses	200	-	200	304	104
Dog licenses/fees	500	-	500	816	316
Open space recapture tax	-	-	-	6,687	6,687
Copier fees	3,000	-	3,000	2,956	(44)
Recording	18,000	-	18,000	19,274	1,274
Conveyance tax	45,000	-	45,000	50,262	5,262
Town clerk misc.	3,000	-	3,000	3,710	710
Transfer station	7,500	-	7,500	11,506	4,006
Planning and zoning fees	5,000	-	5,000	7,500	2,500
Wetlands fees	1,000	-	1,000	1,543	543
Building permits	75,000	-	75,000	114,183	39,183
Interest - investments	130,000	-	130,000	300,980	170,980
Miscellaneous	1,500	-	1,500	12,928	11,428
Sale of fixed assets	1,000	-	1,000	3,525	2,525
	<u>320,790</u>	<u>-</u>	<u>320,790</u>	<u>559,261</u>	<u>238,471</u>
Total revenues	<u>16,481,192</u>	<u>-</u>	<u>16,481,192</u>	<u>16,972,020</u>	<u>490,828</u>

Continued

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

EXPENDITURES	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
General Government					
Board of Selectman					
First Selectman wages	68,099	-	68,099	68,099	-
Selectmen wages	13,814	-	13,814	13,814	-
Office admin wages	67,937	-	67,937	67,937	-
Part time wages	5,200	-	5,200	5,200	-
Selectmen's clerk	11,178	-	11,178	-	11,178
Advertising	1,000	-	1,000	2,499	(1,499) *
Printing and binding - citizens notice	28,000	773	28,773	34,692	(5,919) *
Postage	100	-	100	113	(13) *
Contracted services	100	-	100	221	(121) *
Office supplies	1,000	-	1,000	3,695	(2,695) *
Misc. expenses	500	-	500	476	24
Volunteer incentives	10	-	10	-	10
Memorial Day expenses	800	-	800	1,966	(1,166) *
July 4th celebration	200	-	200	-	200
	<u>197,938</u>	<u>773</u>	<u>198,711</u>	<u>198,712</u>	<u>(1)</u>
Town Counsel					
Legal fees	30,000	2,973	32,973	32,973	-
Legal/engineering	13,666	-	13,666	13,666	-
	<u>43,666</u>	<u>2,973</u>	<u>46,639</u>	<u>46,639</u>	-
Information Technology					
Webmaster	2,600	-	2,600	2,600	-
Contracted services	35,328	924	36,252	36,252	-
IT non-capital equipment	5,000	995	5,995	5,995	-
	<u>42,928</u>	<u>1,919</u>	<u>44,847</u>	<u>44,847</u>	-
Knowlton Hall					
Electricity	8,500	3,611	12,111	12,111	-
Water	700	-	700	426	274
Building repairs	3,000	-	3,000	2,684	316
Telephone	1,400	-	1,400	1,378	22
Contracted services	6,891	3,915	10,806	10,806	-
Custodial supplies	1,000	-	1,000	105	895
Fuel oil	6,000	128	6,128	7,635	(1,507) *
	<u>27,491</u>	<u>7,654</u>	<u>35,145</u>	<u>35,145</u>	-
Town Hall Building					
Electricity	25,420	-	25,420	22,629	2,791
Water	2,000	-	2,000	1,164	836
Building repairs	5,000	-	5,000	5,722	(722) *
Telephone	6,000	-	6,000	3,860	2,140
Contracted services	22,698	-	22,698	21,664	1,034
Fuel oil	10,000	-	10,000	13,106	(3,106) *
	<u>71,118</u>	<u>-</u>	<u>71,118</u>	<u>68,145</u>	<u>2,973</u>
Town Property Maintenance					
Electricity	3,120	-	3,120	2,543	577
CT Clean Energy	500	-	500	-	500
Street lighting	3,802	-	3,802	2,771	1,031
Water	350	-	350	188	162
Property maintenance	5,200	-	5,200	3,823	1,377
Landscaping	750	-	750	930	(180) *
Contracted services	1,035	-	1,035	2,154	(1,119) *
Custodial supplies	1,000	-	1,000	1,919	(919) *
Propane	1,100	-	1,100	-	1,100
	<u>16,857</u>	<u>-</u>	<u>16,857</u>	<u>14,328</u>	<u>2,529</u>

Continued

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<i>General Government (Continued)</i>					
<i>Senior Center / EW Smith</i>					
Senior center director wages	27,269	3,609	30,878	30,878	-
Contracted assistants	-	14,122	14,122	14,122	-
Electricity	4,600	-	4,600	9,592	(4,992) *
Building repairs	3,500	1,845	5,345	8,569	(3,224) *
Equipment repairs	500	-	500	50	450
Vehicle repairs	300	-	300	175	125
Conf/dues/school	270	-	270	175	95
Mileage	150	-	150	-	150
Postage	300	-	300	296	4
Telephone / internet	1,700	-	1,700	1,603	97
Contracted services	2,600	-	2,600	2,660	(60) *
Cleaning services	5,710	-	5,710	5,510	200
Custodial supplies	1,600	-	1,600	1,350	250
Propane	8,900	-	8,900	3,738	5,162
Program expenses	12,500	-	12,500	11,559	941
Office supplies	650	-	650	548	102
Van driver expenses	2,000	-	2,000	1,177	823
Start up monies	2,000	-	2,000	2,000	-
Other equip - non-capital	100	-	100	223	(123) *
	<u>74,649</u>	<u>19,576</u>	<u>94,225</u>	<u>94,225</u>	<u>-</u>
<i>Board of Finance</i>					
Recording secretary	2,320	-	2,320	1,440	880
Consultants	350	-	350	350	-
Audit expenses	24,776	-	24,776	19,105	5,671
Conf/dues/school	200	-	200	-	200
Advertising	600	-	600	1,188	(588) *
Printing and binding	250	-	250	343	(93) *
Postage	50	-	50	50	-
Subscriptions / books	50	-	50	-	50
Copier supplies	100	-	100	-	100
Office supplies	100	-	100	-	100
	<u>28,796</u>	<u>-</u>	<u>28,796</u>	<u>22,476</u>	<u>6,320</u>
<i>Assessor</i>					
Assessor wages	70,524	-	70,524	70,524	-
Aide	9,100	-	9,100	4,261	4,839
Conf/dues/school	980	-	980	515	465
Mileage	400	-	400	329	71
Data processing	14,825	-	14,825	15,001	(176) *
Advertising	250	-	250	114	136
Postage	900	-	900	1,377	(477) *
Subscriptions / books	2,685	-	2,685	530	2,155
Office supplies	1,000	-	1,000	1,356	(356) *
Non capital equipment	-	-	-	2,198	(2,198) *
	<u>100,664</u>	<u>-</u>	<u>100,664</u>	<u>96,205</u>	<u>4,459</u>
<i>Board of Assessment Appeals</i>					
BAA wages	1,340	-	1,340	1,100	240
Conf/dues/school	200	-	200	-	200
Advertising	160	-	160	139	21
	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>1,239</u>	<u>461</u>
<i>Revenue Collector</i>					
Revenue collector wages	70,524	-	70,524	70,524	-
Assistant wages	18,000	-	18,000	2,736	15,264
Part time wages	-	-	-	-	-
Equipment repairs	125	-	125	-	125
Equipment maint. Contractual	290	-	290	-	290
Conf/dues/school	1,300	-	1,300	273	1,027
Mileage	1,000	-	1,000	-	1,000
Data processing	8,700	-	8,700	8,978	(278) *
Advertising	200	-	200	-	200
Postage	4,150	-	4,150	4,108	42
Copier supplies	350	-	350	-	350
Office supplies	350	-	350	232	118
Computer supplies	750	-	750	1,744	(994) *
State MV fee	300	-	300	-	300
	<u>106,039</u>	<u>-</u>	<u>106,039</u>	<u>88,595</u>	<u>17,444</u>

Continued

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<i>General Government (Continued)</i>					
Treasurer					
Treasurer wages	70,524	-	70,524	70,524	-
Deputy treasurer wages	45,995	-	45,995	47,712	(1,717) *
Admin assistant wages	-	-	-	-	-
Other prof and tech services	9,500	-	9,500	8,180	1,320
Conf/dues/school - GFOA	500	-	500	160	340
Mileage	100	-	100	66	34
Data processing	7,800	-	7,800	5,000	2,800
Postage	750	-	750	991	(241) *
Office Supplies	1,600	-	1,600	4,242	(2,642) *
Permits and fees	975	-	975	342	633
	<u>137,744</u>	<u>-</u>	<u>137,744</u>	<u>137,217</u>	<u>527</u>
Town Clerk					
Town clerk wages - school/conf	600	-	600	-	600
Town clerk wages	70,524	-	70,524	70,524	-
Asst town clerk wages	300	-	300	-	300
Asst town clerk wages	52,270	-	52,270	52,863	(593) *
Equipment repairs	500	-	500	310	190
Equipment maintenance contracts	50	-	50	-	50
Conf/dues/school	4,510	-	4,510	2,139	2,371
Data processing	4,000	-	4,000	5,394	(1,394) *
Advertising	3,000	-	3,000	1,721	1,279
Postage	1,500	-	1,500	1,229	271
Indexing and recording	18,000	-	18,000	17,589	411
Vital statistics	50	-	50	-	50
Security filming	1,000	-	1,000	620	380
Book repairs	1,000	-	1,000	-	1,000
Office supplies	3,000	-	3,000	1,768	1,232
	<u>160,304</u>	<u>-</u>	<u>160,304</u>	<u>154,157</u>	<u>6,147</u>
Registrar of Voters					
Registrar of voters wages	52,901	-	52,901	40,465	12,436
Other prop and tech services	-	-	-	1,974	(1,974) *
Professional and tech services	4,925	-	4,925	3,311	1,614
Equipment repairs	-	-	-	-	-
Equip maint contract	-	-	-	-	-
Conf/dues/school	4,420	-	4,420	4,821	(401) *
Mileage	768	-	768	278	490
Postage	700	-	700	919	(219) *
Office supplies	315	-	315	4,343	(4,028) *
Election supplies	4,035	-	4,035	4,229	(194) *
Computer supplies	-	-	-	-	-
Non-capital equipment	-	-	-	840	(840) *
	<u>68,064</u>	<u>-</u>	<u>68,064</u>	<u>61,180</u>	<u>6,884</u>
Subtotal General Government	<u>1,077,958</u>	<u>32,895</u>	<u>1,110,853</u>	<u>1,063,110</u>	<u>47,743</u>
<i>Public Safety</i>					
Emergency Services					
Fire marshal wages	15,000	-	15,000	14,471	529
Training	100	-	100	-	100
Professional and tech services	100	-	100	-	100
Equip maint contract	4,500	-	4,500	4,584	(84) *
Conf/dues/school	175	-	175	-	175
Telephone	-	-	-	34	(34) *
Burning official	450	-	450	-	450
Deputy fire marshal	1,500	-	1,500	500	1,000
Emergency management	10,000	-	10,000	325	9,675
Tree warden	10	-	10	-	10
Misc. expenses	100	-	100	150	(50) *
Non-capital equipment	100	-	100	-	100
Subtotal Public Safety	<u>32,035</u>	<u>-</u>	<u>32,035</u>	<u>20,064</u>	<u>11,971</u>

Continued

**TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Public Works					
DPW Administration					
Public works wages	365,435	-	365,435	327,593	37,842
Public works overtime	40,000	-	40,000	45,846	(5,846) *
Meals	2,000	-	2,000	2,565	(565) *
Public works foreman wages	74,256	-	74,256	74,622	(366) *
Part time wages	15,000	-	15,000	3,317	11,683
Clothing allowance	4,200	-	4,200	5,196	(996) *
Drug and alcohol testing	400	-	400	422	(22) *
Conf/dues/school	1,000	-	1,000	1,750	(750) *
	<u>502,291</u>	<u>-</u>	<u>502,291</u>	<u>461,311</u>	<u>40,980</u>
DPW Roads and Bridges					
Equipment rental	3,000	-	3,000	210	2,790
Catch basin cleaning	6,500	-	6,500	-	6,500
Bridge maintenance	-	-	-	-	-
Hand tools	-	-	-	90	(90) *
Tree removal	-	-	-	-	-
E&S control	950	-	950	524	426
Asphalt materials	-	-	-	-	-
Sand/gravel/cement	-	-	-	126	(126) *
Salt/ice control	-	-	-	-	-
Pipe/culvert materials	7,000	-	7,000	5,170	1,830
Fencing materials	2,000	-	2,000	160	1,840
Signs and signals	-	-	-	-	-
Winter sand	-	-	-	-	-
	<u>19,450</u>	<u>-</u>	<u>19,450</u>	<u>6,280</u>	<u>13,170</u>
DPW Building Maintenance					
Electricity	5,600	3,272	8,872	8,872	-
Building maintenance	4,000	4,649	8,649	8,649	-
Waste disposal	1,000	1,264	2,264	5,450	(3,186) *
Telephone	3,360	-	3,360	1,204	2,156
Contracted services	5,160	-	5,160	5,234	(74) *
Propane	6,500	-	6,500	4,868	1,632
Program expenses	3,500	-	3,500	4,028	(528) *
Office supplies	-	-	-	-	-
	<u>29,120</u>	<u>9,185</u>	<u>38,305</u>	<u>38,305</u>	<u>-</u>
DPW Equipment Maintenance					
Radio maintenance	2,000	-	2,000	578	1,422
Vehicle repairs	8,500	267	8,767	8,904	(137) *
Gasoline	5,000	-	5,000	7,676	(2,676) *
Diesel	20,000	-	20,000	23,295	(3,295) *
Tires and chains	6,000	-	6,000	11,548	(5,548) *
Lubrication	4,500	-	4,500	3,638	862
Truck parts	30,000	-	30,000	17,928	12,072
Equipment parts	30,000	-	30,000	32,611	(2,611) *
Welding supplies	1,500	-	1,500	1,589	(89) *
Hand tools	1,500	3,516	5,016	5,016	-
	<u>109,000</u>	<u>3,783</u>	<u>112,783</u>	<u>112,783</u>	<u>-</u>

Continued

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Public Works (Continued)					
Transfer Station					
Recycling part time wages	78,573	-	78,573	84,278	(5,705) *
Clothing allowance	1,400	-	1,400	1,400	-
Professional and tech services	1,400	-	1,400	338	1,062
Electricity	2,000	-	2,000	3,452	(1,452) *
Equipment repairs	2,000	-	2,000	-	2,000
Waste recycling disposal/hauling	260,000	(12,001)	247,999	245,250	2,749
Contaminated material disposal	3,000	-	3,000	10,810	(7,810) *
NEROC fees	3,500	-	3,500	1,531	1,969
Site maint material handling	1,000	-	1,000	808	192
Household chemical	4,890	-	4,890	4,967	(77) *
Printing and binding	5,000	-	5,000	21	4,979
Telephone	1,000	-	1,000	593	407
Equipment parts	2,000	-	2,000	476	1,524
Permits and licensing	2,500	-	2,500	800	1,700
	<u>368,263</u>	<u>(12,001)</u>	<u>356,262</u>	<u>354,724</u>	<u>1,538</u>
Subtotal Public Works	<u>1,028,124</u>	<u>967</u>	<u>1,029,091</u>	<u>973,403</u>	<u>55,688</u>
Civic and Cultural					
Area Agencies					
Dial a Ride	2,599	-	2,599	2,599	-
Eastern CT Conservation District	500	-	500	500	-
Day Kimball Healthcare	500	-	500	500	-
Sexual Assault Crisis Center	2,664	(2,164)	500	500	-
Thames Valley Council	2,715	-	2,715	2,715	-
Clean Energy Task Force	850	-	850	850	-
C.O.S.T.	975	-	975	975	-
CCM	2,704	-	2,704	2,704	-
CT Legal Services	1,000	-	1,000	1,000	-
Eastern Highlands Health Dept.	24,932	-	24,932	24,932	-
Walking Weekend	500	-	500	500	-
NECCOG	4,644	-	4,644	4,644	-
Regional Probate Court	5,029	-	5,029	5,000	29
Access Comm Action	1,000	-	1,000	1,000	-
VNHSC	1,000	-	1,000	-	1,000
United Services	3,018	-	3,018	3,018	-
	<u>54,630</u>	<u>(2,164)</u>	<u>52,466</u>	<u>51,437</u>	<u>1,029</u>
Agent for Elderly					
Part time wages	6,817	-	6,817	131	6,686
Program expenses	1,650	-	1,650	1,622	28
	<u>8,467</u>	<u>-</u>	<u>8,467</u>	<u>1,753</u>	<u>6,714</u>
Commission on Aging					
Program expenses	700	-	700	486	214
	<u>700</u>	<u>-</u>	<u>700</u>	<u>486</u>	<u>214</u>

Continued

**TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<i>Civic and Cultural (Continued)</i>					
Sexton					
Sexton wages	4,000	-	4,000	4,000	-
Conf/dues/school	250	-	250	-	250
Contracted services	10,000	5,725	15,725	15,725	-
Cemetery repair supplies	3,500	725	4,225	4,400	(175) *
Signs and signals	1,000	-	1,000	1,175	(175) *
Subscriptions/books	100	-	100	-	100
	<u>18,850</u>	<u>6,450</u>	<u>25,300</u>	<u>25,300</u>	<u>-</u>
Subtotal Civic and Cultural	82,647	4,286	86,933	78,976	7,957
Planning and Zoning					
Planning and Zoning					
Recording secretary	1,200	-	1,200	400	800
Other professional and tech services	48,000	-	48,000	48,632	(632) *
Conf/dues/school	500	-	500	440	60
Mileage	50	-	50	-	50
POCD	8,000	-	8,000	8,000	-
Advertising	2,400	-	2,400	2,001	399
Postage	125	-	125	143	(18) *
Subscriptions/books	125	-	125	-	125
Office supplies	800	-	800	602	198
	<u>61,200</u>	<u>-</u>	<u>61,200</u>	<u>60,218</u>	<u>982</u>
ZBA					
Conf/dues/school	500	-	500	-	500
Advertising	500	-	500	681	(181) *
Postage	25	-	25	25	-
	<u>1,025</u>	<u>-</u>	<u>1,025</u>	<u>706</u>	<u>319</u>
Inland Wetlands					
Recording secretary	500	-	500	800	(300) *
Other professional and tech services	11,000	3,544	14,544	14,665	(121) *
Consultants	1,000	-	1,000	1,000	-
Conf/dues/school	1,000	-	1,000	455	545
Mileage	10	-	10	-	10
Advertising	400	-	400	865	(465) *
Postage	100	-	100	119	(19) *
Subscriptions/books	50	-	50	-	50
Supplies	300	-	300	-	300
	<u>14,360</u>	<u>3,544</u>	<u>17,904</u>	<u>17,904</u>	<u>-</u>
Conservation					
Conf/dues/school	150	-	150	240	(90) *
Advertising and legal notices	-	-	-	330	(330) *
Postage	100	-	100	-	100
Mapping	150	-	150	-	150
Subscriptions/books	100	-	100	-	100
Program expenses	1,885	-	1,885	1,308	577
Supplies	350	-	350	64	286
	<u>2,735</u>	<u>-</u>	<u>2,735</u>	<u>1,942</u>	<u>793</u>

Continued

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<i>Planning and Zoning (Continued)</i>					
Building Department					
Building clerk wages	44,185	(3,320)	40,865	39,533	1,332
Professional and tech services	42,944	-	42,944	44,164	(1,220) *
Postage	100	-	100	70	30
Telephone	-	-	-	34	(34) *
Subscriptions/books	750	-	750	-	750
Office supplies	600	-	600	98	502
Non-capital equipment	-	-	-	690	(690) *
Permits and fees	2,000	-	2,000	2,512	(512) *
	<u>90,579</u>	<u>(3,320)</u>	<u>87,259</u>	<u>87,101</u>	<u>158</u>
Economic Development					
Professional and tech services	1,200	-	1,200	750	450
Conf/dues/school	150	-	150	200	(50) *
Printing and binding	525	-	525	71	454
Postage	200	-	200	-	200
Signs and signals	150	-	150	191	(41) *
Program expenses	200	-	200	252	(52) *
Office supplies	75	-	75	-	75
	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>1,464</u>	<u>1,036</u>
WPC					
Mileage	1	-	1	-	1
Advertising	1	-	1	-	1
Postage	1	-	1	-	1
Office supplies	1	-	1	-	1
	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Subtotal Planning and Zoning	<u>172,403</u>	<u>224</u>	<u>172,627</u>	<u>169,335</u>	<u>3,292</u>
Education					
Ashford School					
Ashford public schools	8,638,694	-	8,638,694	8,620,189	18,505
Region 19 School					
Region 19 school	3,799,679	-	3,799,679	3,799,679	-
Subtotal Education	<u>12,438,373</u>	<u>-</u>	<u>12,438,373</u>	<u>12,419,868</u>	<u>18,505</u>
Benefits and Insurance					
Employee Benefits					
FICA - 6.2%	80,277	-	80,277	75,450	4,827
Workers compensation	28,700	-	28,700	28,666	34
Unemployment	1,000	-	1,000	-	1,000
Medicare - 1.45%	18,774	-	18,774	17,645	1,129
Retirement - 7%	77,000	-	77,000	63,857	13,143
Employee health insurance	243,788	22,021	265,809	274,334	(8,525) *
Employee dental insurance	8,563	-	8,563	8,556	7
Life insurance	2,000	-	2,000	1,549	451
	<u>460,102</u>	<u>22,021</u>	<u>482,123</u>	<u>470,057</u>	<u>12,066</u>

Continued

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<i>Benefits and Insurance (Continued)</i>					
<i>Municipal Insurance</i>					
Municipal insurance	48,234	(12,137)	36,097	36,097	-
	48,234	(12,137)	36,097	36,097	-
Subtotal Benefits and Insurance	508,336	9,884	518,220	506,154	12,066
<i>Debt and Sundry</i>					
<i>Debt</i>					
GOB 2013 principal	30,000	-	30,000	30,000	-
GOB 2013 interest	11,800	-	11,800	11,800	-
	41,800	-	41,800	41,800	-
<i>Contingency</i>					
Contingency	50,000	(48,256)	1,744	1,744	-
	50,000	(48,256)	1,744	1,744	-
Subtotal Debt and Sundry	91,800	(48,256)	43,544	43,544	-
<i>Capital Outlay</i>					
<i>Capital - Transfer to Other Funds</i>					
Volunteer fire and ambulance	651,115	-	651,115	651,115	-
Recreation fund	118,325	-	118,325	116,325	2,000
Babcock library	195,000	-	195,000	195,000	-
Animal control fund	19,208	-	19,208	21,208	(2,000)
Youth/social services program	65,868	-	65,868	65,868	-
Capital nonrecurring fund	-	84,451	84,451	84,451	-
Subtotal Capital Outlay	1,049,516	84,451	1,133,967	1,133,967	-
Total Expenditures	16,481,192	84,451	16,565,643	16,408,421	157,222
Excess (deficiency) of revenues over expenditures - Budgetary Basis	\$ -	\$ (84,451)	\$ (84,451)	\$ 563,599	\$ 648,050

Adjustments to Generally Accepted Accounting Principals (GAAP):

On behalf revenues from teacher's retirement pension and OPEB netted in budget	1,397,816
On behalf expenditures from teacher's retirement pension and OPEB netted in budget	(1,397,816)
Excess cost grant netted with Board of Education expenditures in budget	159,822
Board of Education expenditures netted with excess cost grant	(159,822)
Transfer of unspent FYE 2025 funds to Board of Education Nonlapsing Fund	(18,505)
<i>General Fund - sub fund activity:</i>	
Babcock Library Fund - revenues	7,057
Babcock Library Fund - expenditures	(180,474)
Babcock Library Fund - transfers in	195,000
Town Aid Road Fund - revenues	294,729
Town Aid Road Fund - expenditures	(294,729)
Board of Education Nonlapsing Fund - transfers in	64,493
Board of Education Nonlapsing Fund - transfers out	(134,366)
Excess (deficiency) of revenues over expenditures - GAAP Basis	\$ 496,804

* Indicates over-expended line item

**TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
CONNECTICUT TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability	\$11,891,810	\$12,210,558	\$14,002,451	\$10,879,753	\$13,736,915	\$13,062,008	\$10,071,567	\$10,347,614	\$10,916,812	\$8,249,096
Town's covered payroll *	\$ 3,432,262	\$ 3,192,946	\$ 3,322,110	\$ 3,449,643	\$ 3,281,019	\$ 3,118,980	\$ 3,087,091	\$ 2,985,239	\$ 3,059,000	\$3,017,503
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

NOTES TO THE SCHEDULE:

* Covered payroll is an estimated figure.

The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2025 is based on a June 30, 2024 actuarial valuation and a June 30, 2024 measurement date).

Benefit changes: There were no changes in benefit terms that affected the measurement of the total pension liability.

Changes in assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50% (No change)
Salary increase	3.00-6.50%, including inflation (No change)
Investment rate of return	6.90%, (No change) net of pension plan investment expenses, including inflation

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

**TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF THE CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS PLAN
BOARD OF EDUCATION
LAST EIGHT FISCAL YEARS***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning Balance	\$ 436,324	\$ 440,921	\$ 947,872	\$ 894,977	\$ 788,209	\$ 375,173	\$ 767,971	\$ 815,987
Changes for the year:								
Service cost	14,130	14,201	27,834	29,686	22,855	5,544	2,800	21,721
Interest	17,984	17,231	34,167	18,490	23,874	11,017	30,157	19,881
Effect of economic/demographic gains/losses	59,489	(7,764)	(531,331)	162,954	(4,533)	337,597	(416,393)	-
Changes of assumptions	(57,857)	(10,673)	(16,382)	(130,401)	95,318	86,017	24,681	(57,235)
Benefit payments	(17,345)	(17,592)	(21,239)	(27,834)	(30,746)	(27,139)	(34,043)	(32,383)
Net changes	<u>16,401</u>	<u>(4,597)</u>	<u>(506,951)</u>	<u>52,895</u>	<u>106,768</u>	<u>413,036</u>	<u>(392,798)</u>	<u>(48,016)</u>
Ending Balance	<u>\$ 452,725</u>	<u>\$ 436,324</u>	<u>\$ 440,921</u>	<u>\$ 947,872</u>	<u>\$ 894,977</u>	<u>\$ 788,209</u>	<u>\$ 375,173</u>	<u>\$ 767,971</u>

NOTES TO SCHEDULE

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

Changes in Actuarial Assumptions

Investment Rate of Return 5.300% as of June 30, 2025 (Prior was 4.070%).

Rate of Compensation Increase 2.90% (Prior was 2.90%).

Mortality Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

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

**TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
TEACHERS' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>\$ 2,439,419</u>	<u>\$ 1,143,962</u>	<u>\$ 1,226,294</u>	<u>\$ 1,185,329</u>	<u>\$ 2,048,861</u>	<u>\$ 2,037,095</u>	<u>\$ 2,013,400</u>	<u>\$ 2,663,365</u>
Total proportionate share of the collective net pension liability	<u>\$ 2,439,419</u>	<u>\$ 1,143,962</u>	<u>\$ 1,226,294</u>	<u>\$ 1,185,329</u>	<u>\$ 2,048,861</u>	<u>\$ 2,037,095</u>	<u>\$ 2,013,400</u>	<u>\$ 2,663,365</u>
Town's covered payroll	\$ 3,432,262	\$ 3,192,946	\$ 3,322,110	\$ 3,449,643	\$ 3,281,019	\$ 3,118,980	\$ 3,087,091	\$ 2,985,239
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

NOTES TO THE SCHEDULE:

Valuation Date:	June 30, 2024
Inflation	2.50% (No change)
Real wage growth	0.50% (No change)
Wage inflation	3.00% (No change)
Salary increases	3.00-6.50%, including inflation (No change)
Discount rate	3.93% (Prior was 3.64%)
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation (No change)

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

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

APPENDIX B – FORM OPINION OF BOND COUNSEL

July __, 2026

Town of Ashford
5 Town Hall Road
Ashford, CT 06278

We have acted as Bond Counsel to the Town of Ashford, Connecticut (the “Town”) in connection with the issuance by the Town of its \$_____ General Obligation Bonds, Issue of 2026 (the “Bonds”) dated July __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

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

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

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

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

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

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

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will agree, pursuant to a Continuing Disclosure Agreement to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Issuer to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (“Agreement”) is made as of July __, 2026 by the Town of Ashford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of \$ _____ General Obligation Bonds, Issue of 2026, dated as of July __, 2026 (the “Bonds”), for the benefit of the beneficial owners from time to time of the Bonds.

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

“Final Official Statement” means the official statement of the Issuer dated July __, 2026 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2026) as follows:

(i) Financial statements of the Issuer’s general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer’s taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,

- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

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

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

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

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

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

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

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

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

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

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

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer’s Treasurer, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Treasurer is 5 Town Hall Road, Ashford, Connecticut 06278.

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

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer’s undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

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

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

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

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

TOWN OF ASHFORD, CONNECTICUT

By: _____

CATHRYN E. SILVER-SMITH

First Selectman

By: _____

SHERRI SOUCY

Treasurer

APPENDIX D - NOTICE OF SALE

NOTICE OF SALE

**TOWN OF ASHFORD, CONNECTICUT
\$1,600,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

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

JULY 7, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$1,600,000 General Obligation Bonds, Issue of 2026, dated July 21, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on July 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2027	105,000	2035	105,000
2028	105,000	2036	105,000
2029	105,000	2037	110,000
2030	105,000	2038	110,000
2031	105,000	2039	110,000
2032	105,000	2040	110,000
2033	105,000	2041	110,000
2034	105,000		

The Bonds will bear interest commencing January 15, 2027 and semiannually thereafter on July 15 and January 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before July 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after July 15, 2033, at any time, either in whole or in part in such amounts and in such order of maturity (but by lot within a maturity) as the Issuer may determine, at the redemption price (expressed as a percentage of the par amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 15, 2033 and thereafter	100.0%

Nature of Obligation

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

Bank Qualification

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

Registration

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

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the last business day of June and December in each year.

Proposals

Each bid must be for the entire \$1,600,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest TIC to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

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

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

CUSIP Numbers

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

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

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

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

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

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer ("FAST") on or about July 21, 2026 (the "Closing Date").

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

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

Bond Counsel Opinion

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

Establishment of Issue Price

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

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

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

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

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

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

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

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

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

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

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

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

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

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

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

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

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated June 22, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at www.i-dealprospectus.com and www.munistat.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF ASHFORD, CONNECTICUT

CATHRYN E. SILVER-SMITH
First Selectman

SHERRI SOUCY
Treasurer

June 22, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF ASHFORD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026
DATED JULY 21, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF ASHFORD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about July 21, 2026, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of July 7, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. **Representations and Information.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the "Code"). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of July __, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, July 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			

Schedule B to Issue Price Certificate